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

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2011

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number: 001-33492

CVR ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**61-1512186**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
2277 Plaza Drive, Suite 500 Sugar Land, Texas	**77479**
(Address of Principal Executive Offices)	*(Zip Code)*

(Registrant's telephone number, including area code)
(281) 207-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 or Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes o No ☑

There were 86,413,781 shares of the registrant's common stock outstanding at May 6, 2011.

CVR ENERGY, INC. AND SUBSIDIARIES

INDEX TO QUARTERLY REPORT ON FORM 10-Q
For The Quarter Ended March 31, 2011

GLOSSARY OF SELECTED TERMS

The following are definitions of certain industry terms used in this Form 10-Q.

2-1-1 crack spread — The approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of distillate. The 2-1-1 crack spread is expressed in dollars per barrel.

ammonia — Ammonia is a direct application fertilizer and is primarily used as a building block for other nitrogen products for industrial applications and finished fertilizer products.

backwardation market — Market situation in which futures prices are lower in succeeding delivery months. Also known as an inverted market. The opposite of contango.

barrel — Common unit of measure in the oil industry which equates to 42 gallons.

blendstocks — Various compounds that are combined with gasoline or diesel from the crude oil refining process to make finished gasoline and diesel fuel; these may include natural gasoline, fluid catalytic cracking unit or FCCU gasoline, ethanol, reformate or butane, among others.

bpd — Abbreviation for barrels per day.

bulk sales — Volume sales through third party pipelines, in contrast to tanker truck quantity sales.

capacity — Capacity is defined as the throughput a process unit is capable of sustaining, either on a calendar or stream day basis. The throughput may be expressed in terms of maximum sustainable, nameplate or economic capacity. The maximum sustainable or nameplate capacities may not be the most economical capacity. The economic capacity is the throughput that generally provides the greatest economic benefit based on considerations such as feedstock costs, product values and downstream unit constraints.

catalyst — A substance that alters, accelerates, or instigates chemical changes, but is neither produced, consumed nor altered in the process.

coker unit — A refinery unit that utilizes the lowest value component of crude oil remaining after all higher value products are removed, further breaks down the component into more valuable products and converts the rest into pet coke.

common units — The class of interests issued under the limited liability company agreements governing Coffeyville Acquisition LLC, Coffeyville Acquisition II LLC and Coffeyville Acquisition III LLC, which provide for voting rights and have rights with respect to profits and losses of, and distributions from, the respective limited liability companies.

contango market — Market situation in which prices for future delivery are higher than the current or spot market price of the commodity. The opposite of backwardation.

corn belt — The primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.

crack spread — A simplified calculation that measures the difference between the price for light products and crude oil. For example, the 2-1-1 crack spread is often referenced and represents the approximate gross margin resulting from processing two barrels of crude oil to produce one barrel of gasoline and one barrel of distillate.

distillates — Primarily diesel fuel, kerosene and jet fuel.

ethanol — A clear, colorless, flammable oxygenated hydrocarbon. Ethanol is typically produced chemically from ethylene, or biologically from fermentation of various sugars from carbohydrates found in agricultural crops and cellulosic residues from crops or wood. It is used in the United States as a gasoline octane enhancer and oxygenate.

farm belt — Refers to the states of Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Texas and Wisconsin.

feedstocks — Petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.

heavy crude oil — A relatively inexpensive crude oil characterized by high relative density and viscosity. Heavy crude oils require greater levels of processing to produce high value products such as gasoline and diesel fuel.

independent petroleum refiner — A refiner that does not have crude oil exploration or production operations. An independent refiner purchases the crude oil used as feedstock in its refinery operations from third parties.

light crude oil — A relatively expensive crude oil characterized by low relative density and viscosity. Light crude oils require lower levels of processing to produce high value products such as gasoline and diesel fuel.

Magellan — Magellan Midstream Partners L.P., a publicly traded company whose business is the transportation, storage and distribution of refined petroleum products.

MMBtu — One million British thermal units or Btu: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.

natural gas liquids — Natural gas liquids, often referred to as NGLs, are both feedstocks used in the manufacture of refined fuels and are products of the refining process. Common NGLs used include propane, isobutane, normal butane and natural gasoline.

PADD II — Midwest Petroleum Area for Defense District which includes Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.

plant gate price — the unit price of fertilizer, in dollars per ton, offered on a delivered basis and excluding shipment costs.

petroleum coke (pet coke) — A coal-like substance that is produced during the refining process.

refined products — Petroleum products, such as gasoline, diesel fuel and jet fuel, that are produced by a refinery.

sour crude oil — A crude oil that is relatively high in sulfur content, requiring additional processing to remove the sulfur. Sour crude oil is typically less expensive than sweet crude oil.

spot market — A market in which commodities are bought and sold for cash and delivered immediately.

sweet crude oil — A crude oil that is relatively low in sulfur content, requiring less processing to remove the sulfur. Sweet crude oil is typically more expensive than sour crude oil.

throughput — The volume processed through a unit or a refinery or transported on a pipeline.

turnaround — A periodically required standard procedure to inspect, refurbish, repair and maintain the refinery or nitrogen fertilizer plant assets. This process involves the shutdown and inspection of major processing units and occurs every four to five years for the refinery and every two years for the nitrogen fertilizer plant.

UAN — An aqueous solution of urea and ammonium nitrate used as a fertilizer.

wheat belt — The primary wheat producing region of the United States, which includes Oklahoma, Kansas, North Dakota, South Dakota and Texas.

WTI — West Texas Intermediate crude oil, a light, sweet crude oil, characterized by an American Petroleum Institute gravity, or API gravity, between 39 and 41 degrees and a sulfur content of approximately 0.4 weight percent that is used as a benchmark for other crude oils.

WTS — West Texas Sour crude oil, a relatively light, sour crude oil characterized by an API gravity of between 30 and 32 degrees and a sulfur content of approximately 2.0 weight percent.

yield — The percentage of refined products that is produced from crude oil and other feedstocks.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2011 (unaudited)	December 31, 2010
	(in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 165,896	$ 200,049
Accounts receivable, net of allowance for doubtful accounts of $845 and $722, respectively	113,988	80,169
Inventories	395,076	247,172
Prepaid expenses and other current assets	51,061	28,616
Deferred income taxes	39,825	43,351
Total current assets	765,846	599,357
Property, plant, and equipment, net of accumulated depreciation	1,063,831	1,081,312
Intangible assets, net	336	344
Goodwill	40,969	40,969
Deferred financing costs, net	12,949	10,601
Insurance receivable	3,570	3,570
Other long-term assets	4,461	4,031
Total assets	$ 1,891,962	$ 1,740,184
LIABILITIES AND EQUITY		
Current liabilities:		
Note payable and capital lease obligations	$ 1,495	$ 8,014
Accounts payable	226,073	155,220
Personnel accruals	19,451	29,151
Accrued taxes other than income taxes	24,919	21,266
Income taxes payable	23,141	7,983
Deferred revenue	26,726	18,685
Other current liabilities	41,840	25,396
Total current liabilities	363,645	265,715
Long-term liabilities:		
Long-term debt, net of current portion	469,075	468,954
Accrued environmental liabilities, net of current portion	2,344	2,552
Deferred income taxes	299,177	298,943
Other long-term liabilities	3,898	3,847
Total long-term liabilities	774,494	774,296
Commitments and contingencies		
Equity:		
CVR stockholders' equity:		
Common Stock $0.01 par value per share, 350,000,000 shares authorized, 86,435,672 and 86,435,672 shares issued, respectively	864	864
Additional paid-in-capital	475,732	467,871
Retained earnings	266,867	221,079
Treasury stock, 21,891 and 21,891 shares, respectively, at cost	(243)	(243)
Accumulated other comprehensive income, net of tax	3	2
Total CVR stockholders' equity	743,223	689,573
Noncontrolling interest	10,600	10,600
Total equity	753,823	700,173
Total liabilities and equity	$ 1,891,962	$ 1,740,184

See accompanying notes to the condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(unaudited) (in thousands, except share data)	
Net sales	$ 1,167,265	$ 894,512
Operating costs and expenses:		
Cost of product sold (exclusive of depreciation and amortization)	936,822	802,890
Direct operating expenses (exclusive of depreciation and amortization)	68,326	60,562
Insurance recovery — business interruption	(2,870)	—
Selling, general and administrative expenses (exclusive of depreciation and amortization)	33,262	21,394
Net costs associated with flood	108	—
Depreciation and amortization	22,011	21,260
Total operating costs and expenses	1,057,659	906,106
Operating income (loss)	109,606	(11,594)
Other income (expense):		
Interest expense and other financing costs	(13,190)	(9,922)
Interest income	274	416
Gain (loss) on derivatives, net	(22,106)	1,490
Loss on extinguishment of debt	(1,908)	(500)
Other income, net	231	42
Total other income (expense)	(36,699)	(8,474)
Income (loss) before income tax expense (benefit)	72,907	(20,068)
Income tax expense (benefit)	27,119	(7,705)
Net income (loss)	$ 45,788	$ (12,363)
Basic earnings (loss) per share	$ 0.53	$ (0.14)
Diluted earnings (loss) per share	$ 0.52	$ (0.14)
Weighted-average common shares outstanding:		
Basic	86,413,781	86,329,237
Diluted	87,783,857	86,329,237

See accompanying notes to the condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income (loss)	$ 45,788	$ (12,363)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	22,011	21,260
Allowance for doubtful accounts	123	265
Amortization of deferred financing costs	907	462
Amortization of original issue discount	121	—
Deferred income taxes	3,760	2,667
Loss on disposition of assets	639	343
Loss on extinguishment of debt	1,908	500
Share-based compensation	19,101	7,279
Unrealized (gain) loss on derivatives	3,258	(3,180)
Changes in assets and liabilities:		
Accounts receivable	(33,942)	(16,073)
Inventories	(147,904)	19,226
Prepaid expenses and other current assets	(16,954)	(469)
Insurance receivable	(8,600)	—
Insurance proceeds from flood	—	(390)
Business interruption insurance proceeds	2,315	—
Other long-term assets	(577)	10,878
Accounts payable	73,157	(10,319)
Accrued income taxes	15,158	19,791
Deferred revenue	8,041	3,602
Other current liabilities	(4,101)	—
Payable to swap counterparty	—	(74)
Accrued environmental liabilities	(208)	—
Other long-term liabilities	51	56
Net cash (used in) provided by operating activities	(15,948)	43,461
Cash flows from investing activities:		
Capital expenditures	(7,337)	(11,416)
Proceeds from the sale of assets	19	—
Insurance proceeds from UAN reactor rupture	225	—
Net cash used in investing activities	(7,093)	(11,416)
Cash flows from financing activities:		
Revolving debt payments	—	(40,000)
Revolving debt borrowings	—	40,000
Principal payments on term debt	—	(26,199)
Payment of financing costs	(4,701)	(5,195)
Payment of capital lease obligation	(4,796)	(20)
Deferred costs of CVR Partners initial public offering	(1,615)	—
Net cash used in financing activities	(11,112)	(31,414)
Net increase (decrease) in cash and cash equivalents	(34,153)	631
Cash and cash equivalents, beginning of period	200,049	36,905
Cash and cash equivalents, end of period	$ 165,896	$ 37,536
Supplemental disclosures:		
Cash paid for income taxes, net of refunds (received)	$ 8,200	$ (53)
Cash paid for interest, net of capitalized interest of $86,000 and $881,000 in 2011 and 2010, respectively	680	10,505
Cash funding of margin account for other derivative activities, net of withdrawals (received)	9,237	(3,102)
Non-cash investing and financing activities:		
Accrual of construction in progress additions	(2,304)	(1,457)

See accompanying notes to the condensed consolidated financial statements.

CVR Energy, Inc. and Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2011
(unaudited)

(1) Organization and History of the Company and Basis of Presentation

Organization

The "Company" or "CVR" may be used to refer to CVR Energy, Inc. and, unless the context otherwise requires, its subsidiaries.

The Company, through its wholly-owned subsidiaries, acts as an independent petroleum refiner and marketer of high value transportation fuels in the mid-continental United States. In addition, the Company, through its majority-owned subsidiaries, acts as an independent producer and marketer of upgraded nitrogen fertilizer products in North America. The Company's operations include two business segments: the petroleum segment and the nitrogen fertilizer segment.

CVR is subject to the rules and regulations of the New York Stock Exchange where its shares are traded under the symbol "CVI." As of December 31, 2010, approximately 40% of its outstanding shares were beneficially owned by GS Capital Partners V, L.P. and related entities ("GS" or "Goldman Sachs Funds") and Kelso Investment Associates VII, L.P. and related entities ("Kelso" or "Kelso Funds"). On February 8, 2011, GS and Kelso completed a registered public offering, whereby GS sold into the public market its remaining ownership interests in CVR Energy. Additionally, Kelso reduced its interests in the Company and as of the date of this Report beneficially owns approximately 9% of all shares outstanding.

Nitrogen Fertilizer Limited Partnership

In conjunction with the consummation of CVR's initial public offering in 2007, CVR transferred Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF"), its nitrogen fertilizer business, to a then newly created limited partnership, CVR Partners, LP (the "Partnership"), in exchange for a managing general partner interest ("managing GP interest"), a special general partner interest ("special GP interest," represented by special GP units) and a de minimis limited partner interest ("LP interest," represented by special LP units). This transfer was not considered a business combination as it was a transfer of assets among entities under common control and, accordingly, balances were transferred at their historical cost. CVR concurrently sold the managing GP interest, including the associated incentive distribution rights ("IDRs"), to Coffeyville Acquisition III LLC ("CALLC III"), an entity owned by its then controlling stockholders and senior management, at fair market value. The board of directors of CVR determined, after consultation with management, that the fair market value of the managing GP interest was $10,600,000. This interest has been classified as a noncontrolling interest included as a separate component of equity in the Condensed Consolidated Balance Sheets at March 31, 2011 and December 31, 2010. In connection with the April 2011 initial public offering of the Partnership (the "Offering"), as discussed in further detail below, the IDRs were purchased by the Partnership and the IDRs were subsequently extinguished. In addition, the noncontrolling interest representing the managing GP interest was purchased by Coffeyville Resources, LLC, our subsidiary ("CRLLC"). The payment for the IDRs was paid to owners of CALLC III, which included the Goldman Sachs Funds, the Kelso Funds and members of CVR senior management. As a result of the Offering, the Company recorded a noncontrolling interest for the common units sold into the public market which represented approximately 30.2% interest in the Partnership at the time of the Offering. The Company's noncontrolling interest reflected on the consolidated balance sheet of CVR will be impacted by net income and distributions of the Partnership.

As of March 31, 2011 and until the completion of the Offering by the Partnership, CVR owned all of the interests in the Partnership (other than the managing GP interest and the IDRs) and was entitled to all cash distributed by the Partnership, except with respect to IDRs. At March 31, 2011, the Partnership had 30,333 special LP units outstanding, representing 0.1% of the total Partnership units outstanding, and 30,303,000 special GP interest outstanding, representing 99.9% of the total Partnership units outstanding. In addition, the managing general partner owned the managing GP interest and the IDRs. The managing general partner contributed 1% of CRNF's interest to the Partnership in exchange for its managing GP interest and the IDRs.

In addition, as of March 31, 2011, the Partnership and its subsidiary were guarantors under CRLLC's asset backed revolving credit facility ("ABL credit facility") and senior secured notes. In connection with the Offering, the Partnership was subsequently released from its obligations as a guarantor under the ABL credit facility and senior secured notes, as described further in Note 12 ("Long-Term Debt").

On April 13, 2011, the Partnership completed its initial public offering of 22,080,000 common units priced at $16.00 per unit (such amount includes commitments issued pursuant to the exercise of the underwriters' over-allotment option). The common units, which are listed on the New York Stock Exchange, began trading on April 7, 2011 under the symbol "UAN".

The gross proceeds to the Partnership from the Offering (including the gross proceeds from the exercise of the underwriter's over-allotment option) were approximately $353,280,000 prior to underwriting discount and other offering costs. In connection with the Offering, the Partnership paid approximately $24,730,000 in underwriting fees and incurred approximately $4,000,000 of other offering costs. Approximately $5,741,000 of the underwriter fee was paid to an affiliate of GS acting as joint book-running managers. Until completion of the February 2011 secondary offering, an affiliate of GS was a stockholder and related party of the Company. As a result of the Offering and as of the date of this Report, CVR indirectly owns 69.8% of the Partnership's outstanding common units and 100% of the Partnership's general partner with its non-economic general partner interest.

In connection with the Offering, the Partnership's limited partner interests were converted into common units, the Partnership's special general partner interests were converted into common units, and the partnership's special general partner was merged with and into CRLLC, with CRLLC continuing as the surviving entity. In addition, as discussed above, the managing general partner sold its IDRs to the Partnership, these interests were extinguished, and CALLC III sold the managing general partner to CRLLC for a nominal amount. As a result of the Offering, the Partnership has two types of partnership interests outstanding:

- common units representing limited partner interests; and
- a general partner interest, which is not entitled to any distributions, and which is held by the Partnership's general partner.

The proceeds from the offering were utilized as follows:

- approximately $18.4 million was distributed to CRLLC to satisfy the Partnership's obligation to reimburse it for certain capital expenditures made on behalf of the nitrogen fertilizer business prior to October 24, 2007;
- approximately $117.1 million was distributed to CRLLC through a special distribution in order to among other things, fund the offer to purchase CRLLC's senior secured notes required upon the consummation of the Offering;
- $26.0 million was used to purchase and extinguish the IDR's owned by the general partner;
- approximately $4.4 million to pay financing fees and associated legal and professional fees resulting from the new credit facility; and
- the balance of the proceeds will be utilized for general partnership purposes, including the funding of the UAN expansion that is expected to require an investment of approximately $135 million, of which approximately $31 million has been spent as of March 31, 2011.

Following the Offering, the Partnership will make quarterly cash distributions to unitholders. The partnership agreement does not require that the Partnership make cash distributions on a quarterly or other basis. In connection with the Offering, the board of directors of the general partner adopted a distribution policy, which it may change at any time.

The Partnership is operated by CVR's senior management pursuant to an amended and restated services agreement, effective April 13, 2011, among CVR, the general partner and the Partnership. The Partnership's general partner, CVR GP, LLC, manages the operations and activities of the Partnership, subject to the terms and conditions specified in the partnership agreement. The general partner is owned by CRLLC, a wholly-owned subsidiary of CVR. The operations of the general partner in its capacity as general partner are managed by its board of directors. Actions by the general partner that are made in its individual capacity will be made by CRLLC as the sole member of the general partner and not by the board of directors of the general partner. The general partner is not elected by the unitholders and is not subject to re-election on a regular basis. The officers of the general partner manage the day-to-day affairs of the business. CVR, the Partnership, their respective subsidiaries and the general partner are parties to a number of agreements to regulate certain business relations between them. Certain of these agreements were amended in connection with the Offering.

Basis of Consolidation

In accordance with Accounting Standards Codification ("ASC") Topic 810-10 — *Consolidations-Variable Interest Entities*, ("ASC 810-10"), as of March 31, 2011, management has determined that the Partnership is a variable interest entity ("VIE") and as such evaluated the qualitative criteria under ASC 810-10 to make this determination. ASC 810-10 requires the primary beneficiary of a variable interest entity's activities to consolidate the VIE. The primary beneficiary is identified as the enterprise that has a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance and b) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. The standard requires an ongoing analysis to determine whether the variable interest gives rise to a controlling financial interest in the VIE.

The conclusion that CVR is the primary beneficiary of the Partnership and is required to consolidate the Partnership as a VIE is based primarily on the fact that the general partner's officers manage the day-to-day operations and activities of the Partnership. These officers of the general partner are also officers of CVR Energy. As such, they have the power to direct the activities of the Partnership that most significantly impacts the entity's economic performance.

As a result of the Offering, the basis of consolidation of the Partnership into CVR Energy is based upon the fact that the general partner is owned by CRLLC, a wholly-owned subsidiary of CVR Energy; and, therefore has the ability to control the activities of the Partnership. Additionally, the Partnership's general partner, CVR GP, LLC, manages the operations and activities of the Partnership, subject to the terms and conditions specified in the partnership agreement. The operations of the general partner in its capacity as general partner are managed by its board of directors. Actions by the general partner that are made in its individual capacity will be made by CRLLC as the sole member of the general partner and not by the board of directors of the general partner. The general partner is not elected by the unitholders and is not subject to re-election on a regular basis. The officers of the general partner manage the day-to-day affairs of the business. Based upon the general partnership's role and rights as afforded by the partnership agreement and the limited rights afforded to the limited partners the consolidated financial statements of CVR Energy will include the assets, liabilities, cash flows, revenues and expenses of the Partnership.

The limited rights of the limited partners are demonstrated by the fact that the limited partners have no right to elect the general partner or the general partner's directors on an annual or other continuing basis. The general partner can only be removed by a vote of the holders of at least $66^2/_3$% of the outstanding common units, including any common units owned by the general partner and its affiliates (including CRLLC, a wholly-owned subsidiary of CVR Energy) voting together as a single class. Upon completion of the Offering, the general partner and its affiliates, through CRLLC, own an aggregate of approximately 69.8% of the outstanding common units. This gives CRLLC the ability to prevent removal of the general partner.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). The condensed consolidated financial statements include the accounts of CVR and its majority-owned direct and indirect subsidiaries. The ownership interests of noncontrolling investors in its subsidiaries are recorded as a noncontrolling interest included as a separate component of equity for all periods presented. All intercompany account balances and transactions have been eliminated in consolidation. Certain information and footnotes required for complete financial statements under GAAP have been condensed or omitted pursuant to SEC rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the December 31, 2010 audited consolidated financial statements and notes thereto included in CVR's Annual Report on Form 10-K for the year ended December 31, 2010, which was filed with the SEC on March 7, 2011.

In the opinion of the Company's management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to fairly present the financial position of the Company as of March 31, 2011 and December 31, 2010, the results of operations and cash flows for the three months ended March 31, 2011 and 2010.

Results of operations and cash flows for the interim periods presented are not necessarily indicative of the results that will be realized for the year ending December 31, 2011 or any other interim period. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Company evaluated subsequent events, if any, that would require an adjustment or would require disclosure to the Company's condensed consolidated financial statements through the date of issuance of these condensed consolidated financial statements.

(2) Recent Accounting Pronouncements

In July 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-20, which amends ASC Topic 310, "Receivables" to provide greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. This ASU will require an entity to disclose (1) the inherent credit risk in its financing receivables, (2) how the credit risk is analyzed and assessed in calculating the allowance for credit losses and (3) the changes and reasons for those changes in the allowance for credit losses. The provisions of ASU No. 2010-20 are effective for interim and annual reporting periods ending on or after December 31, 2010. The adoption of this standard did not impact the Company's financial position or results of operations.

In January 2010, the FASB issued ASU No. 2010-06, "Improving Disclosures about Fair Value Measurements," an amendment to ASC Topic 820, "Fair Value Measurements and Disclosures." This amendment requires an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers, (ii) present separate information for Level 3 activity pertaining to gross purchases, sales, issuances, and settlements and (iii) enhance disclosures of assets and liabilities subject to fair value measurements. The provisions of ASU No. 2010-06 are effective for the Company for interim and annual reporting beginning after December 15, 2009, with one new disclosure effective after December 15, 2010. The Company adopted this ASU as of

January 1, 2010. The adoption of this standard did not impact the Company's financial position or results of operations.

(3) Share-Based Compensation

Prior to CVR's initial public offering in October 2007, CVR's subsidiaries were held and operated by Coffeyville Acquisition LLC ("CALLC") and its subsidiaries. Management of CVR holds an equity interest in CALLC. CALLC issued non-voting override units to certain management members who held common units of CALLC. There were no required capital contributions for the override operating units. In connection with CVR's initial public offering in October 2007, CALLC was split into two entities: CALLC and Coffeyville Acquisition II LLC ("CALLC II"). In connection with this split, management's equity interest in CALLC, including both their common units and non-voting override units, was split so that half of management's equity interest was in CALLC and half was in CALLC II. CALLC was historically the primary reporting company and CVR's predecessor. In addition, in connection with the transfer of the managing GP interest of the Partnership to CALLC III in October 2007, CALLC III issued non-voting override units to certain management members of CALLC III.

CVR, CALLC, CALLC II and CALLC III account for share-based compensation in accordance with standards issued by the FASB regarding the treatment of share-based compensation, as well as guidance regarding the accounting for share-based compensation granted to employees of an equity method investee. CVR has been allocated non-cash share-based compensation expense from CALLC, CALLC II and CALLC III.

In accordance with these standards, CVR, CALLC, CALLC II and CALLC III apply a fair-value based measurement method in accounting for share-based compensation. In addition, CVR recognizes the costs of the share-based compensation incurred by CALLC, CALLC II and CALLC III on its behalf, primarily in selling, general, and administrative expenses (exclusive of depreciation and amortization), and a corresponding capital contribution, as the costs are incurred on its behalf, following the guidance issued by the FASB regarding the accounting for equity instruments that are issued to other than employees, for acquiring, or in conjunction with selling goods or services, which requires remeasurement at each reporting period through the performance commitment period, or in CVR's case, through the vesting period.

For the three months ended March 31, 2011, the estimated fair value of the CALLC III override units were determined using a probability-weighted expected return method which utilized CALLC III's cash flow projections and also considered the proposed initial public offering of the Partnership, including the purchase of the IDRs and the managing GP interest. For the three months ended March 31, 2010, the estimated fair value of the override units of CALLC III were determined using a probability-weighted expected return method which utilized CALLC III's cash flow projections, which were considered representative of the nature of interests held by CALLC III in the Partnership.

At March 31, 2011, the estimated fair value of the override units of CALLC was derived from a probability-weighted expected return method. The probability-weighted expected return method involves a forward-looking analysis of possible future outcomes, the estimation of ranges of future and present value under each outcome, and the application of a probability factor to each outcome in conjunction with the application of the current value of the Company's common stock price with a Black-Scholes option pricing formula, as remeasured at each reporting date until the awards are vested. The probability-weighted expected return method was also used to determine the estimated fair value of the override units of CALLC and CALLC II for the three months ended March 31, 2010.

In February 2011, CALLC and CALLC II sold into the public market 11,759,023 shares and 15,113,254 shares, respectively, of CVR's common stock, pursuant to a registered public offering. As a result of this offering, CALLC reduced its beneficial ownership in the Company to approximately 9% of its outstanding shares as of the date of this Report and CALLC II is no longer a stockholder of the Company. Subsequent to

CALLC II's divestiture of its ownership interest in the Company, no additional share-based compensation expense was incurred with respect to override units and phantom units associated with CALLC II.

The following table provides key information for the share-based compensation plans related to the override units of CALLC, CALLC II, and CALLC III.

Award Type	Benchmark Value (per Unit)	Original Awards Issued	Grant Date	*Compensation Expense Increase (Decrease) for the Three Months Ended March 31, 2011	2010
				(in thousands)	
Override Operating Units(a)	$ 11.31	919,630	June 2005	$ —	$ 415
Override Operating Units(b)	$ 34.72	72,492	December 2006	—	15
Override Value Units(c)	$ 11.31	1,839,265	June 2005	4,987	3,181
Override Value Units(d)	$ 34.72	144,966	December 2006	515	93
Override Units(e)	$ 10.00	138,281	October 2007	—	—
Override Units(f)	$ 10.00	642,219	February 2008	135	2
			Total	$ 5,637	$ 3,706

* As CVR's common stock price increases or decreases, compensation expense associated with the unvested CALLC override units increases or is reversed in correlation with the calculation of the fair value under the probability-weighted expected return method.

Valuation Assumptions

Significant assumptions used in the valuation of the Override Operating Units (a) and (b) were as follows:

	(a) Override Operating Units March 31, 2010	(b) Override Operating Units March 31, 2010
Estimated forfeiture rate	None	None
CVR closing stock price	$ 8.75	$ 8.75
Estimated weighted-average fair value (per unit)	$15.01	$ 2.52
Marketability and minority interest discounts	20.0%	20.0%
Volatility	50.0%	50.0%

On the tenth anniversary of the issuance of override operating units, such units convert into an equivalent number of override value units. Override operating units are forfeited upon termination of employment for cause. As of March 31, 2011, these units were fully vested.

Significant assumptions used in the valuation of the Override Value Units (c) and (d) were as follows:

	(c) Override Value Units March 31, 2011	2010	(d) Override Value Units March 31, 2011	2010
Estimated forfeiture rate	None	None	None	None
Derived service period	6 years	6 years	6 years	6 years
CVR closing stock price	$ 23.16	$ 8.75	$ 23.16	$ 8.75
Estimated weighted-average fair value (per unit)	$ 22.61	$ 9.61	$ 13.70	$ 2.50
Marketability and minority interest discounts	5.0%	20.0%	5.0%	20.0%
Volatility	47.1%	50.0%	47.1%	50.0%

Unless the override unit committee of the board of directors of CALLC or CALLC III, respectively, takes action to prevent forfeiture, override value units are forfeited upon termination of employment for any reason, except that in the event of termination of employment by reason of death or disability, all override value units are initially subject to forfeiture as follows:

Minimum Period Held	Forfeiture Percentage
2 years	75%
3 years	50%
4 years	25%
5 years	0%

(e) *Override Units* — Using a binomial and a probability-weighted expected return method which utilized CALLC III's cash flow projections and included expected future earnings and the anticipated timing of IDRs, the estimated grant date fair value of the override units was approximately $3,000. As a non-contributing investor, CVR also recognized income equal to the amount that its interest in the investee's net book value has increased (that is its percentage share of the contributed capital recognized by the investee) as a result of the disproportionate funding of the compensation cost. As of March 31, 2011 these units were fully vested.

(f) *Override Units* — Using a probability-weighted expected return method which utilized CALLC III's cash flow projections and included expected future earnings and the anticipated timing of IDRs, the estimated grant date fair value of the override units was approximately $3,000. As a non-contributing investor, CVR also recognized income equal to the amount that its interest in the investee's net book value has increased (that is its percentage share of the contributed capital recognized by the investee) as a result of the disproportionate funding of the compensation cost. Of the 642,219 units issued, 109,720 were immediately vested upon issuance and the remaining units are subject to a forfeiture schedule. Significant assumptions used in the valuation were as follows:

	March 31,	
	2011	2010
Estimated forfeiture rate	None	None
Derived Service Period	Based on forfeiture schedule	Based on forfeiture schedule
Estimated fair value (per unit)	$2.82	$0.08
Marketability and minority interest discount	5.0%	20.0%
Volatility	47.0%	59.7%

Based upon the estimated fair value at March 31, 2011, there was approximately $818,000 of unrecognized compensation expense related to non-voting override units. This expense is expected to be recognized over a remaining period of less than one year. To the extent the price of CVR's common stock increases additional share-based compensation expense will be incurred with respect to unvested override units.

Phantom Unit Appreciation Plan

CVR, through a wholly-owned subsidiary, has two Phantom Unit Appreciation Plans (the "Phantom Unit Plans") whereby directors, employees, and service providers may be awarded phantom points at the discretion of the compensation committee. Holders of service phantom points have rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points have rights to receive distributions when CALLC and CALLC II holders of override value units receive distributions. There are no other rights or guarantees and the plans expire on July 25, 2015, or at the discretion of CVR. As of March 31, 2011, the issued Profits Interest (combined phantom points and override units) represented 15.0% of combined common unit interest and Profits Interest of CALLC and CALLC II. The Profits Interest was comprised of approximately 11.1% of override interest and approximately 3.9% of phantom interest. The expense associated with these awards is based on the current fair value of the awards which was derived from a probability-weighted expected return method. The probability-weighted expected return method involves a forward-looking analysis of possible future outcomes, the estimation of ranges of future and present value under each outcome, and the application of a probability factor to each outcome in conjunction with the application of the current value of the Company's common stock price with a Black-Scholes option pricing formula, as remeasured at each reporting date until the awards are settled. CVR has recorded approximately $9,849,000 and $18,689,000 in personnel accruals as of March 31, 2011 and December 31, 2010, respectively. Compensation expense for the three months ended March 31, 2011 and 2010 related to the Phantom Unit Plans was $11,240,000 and $3,399,000, respectively. Using the Company's closing stock price at March 31, 2011 and 2010, to determine the Company's equity value, through an independent valuation process, the service phantom interest and performance phantom interest were valued as follows:

	March 31,	
	2011	2010
Service Phantom interest (per point)	$13.14	$14.49
Performance Phantom interest (per point)	$22.62	$ 9.41

As described above, in February 2011, CALLC and CALLC II completed an additional sale of CVR common stock into the public market pursuant to a registered public offering. As a result of this offering, the Company made a payment to phantom unitholders of approximately $20,079,000 in the first quarter of 2011.

Based upon the estimated fair value at March 31, 2011, there was approximately $107,000 of unrecognized compensation expense related to the Phantom Unit Plans. This is expected to be recognized over a remaining period of less than one year. To the extent the price of CVR's common stock increases, additional share-based compensation expense will be incurred with respect to the remaining phantom unit awards.

Long-Term Incentive Plan

CVR has a Long-Term Incentive Plan ("LTIP") which permits the grant of options, stock appreciation rights, restricted shares, restricted share units, dividend equivalent rights, share awards and performance awards (including performance share units, performance units and performance-based restricted stock). As of March 31, 2011, only restricted shares of CVR common stock and stock options had been granted under the LTIP. Individuals who are eligible to receive awards and grants under the LTIP include the Company's employees, officers, consultants, advisors and directors.

Stock Options

As of March 31, 2011, there have been a total of 32,350 stock options granted, of which 24,718 have vested. However, 6,301 vested options have expired resulting in a net total of 18,417 outstanding options that have vested. Additionally, 3,149 unvested stock options were forfeited in the second quarter of 2010. There were no options vested, forfeited or granted in the first quarter of 2011. The fair value of stock options is estimated on the date of grant using the Black-Scholes option pricing model. As of March 31, 2011, there was approximately $5,000 of total unrecognized compensation cost related to stock options to be recognized over a weighted-average period of less than one year.

Restricted Stock

A summary of restricted stock grant activity and changes during the three months ended March 31, 2011 is presented below:

Restricted Stock	Shares	Weighted-Average Grant-Date Fair Value
Outstanding at January 1, 2011 (non-vested)	1,369,182	$ 10.94
Vested	—	—
Granted	—	—
Forfeited	(2,400)	4.14
Outstanding at March 31, 2011 (non-vested)	1,366,782	$ 10.95

Through the LTIP, shares of non-vested restricted stock have been granted to employees of the Company. Non-vested restricted shares, when granted, are valued at the closing market price of CVR's common stock on the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the stock. These shares generally vest over a three-year period. As of March 31, 2011, there was approximately $11,180,000 of total unrecognized compensation cost related to non-vested restricted shares to be recognized over a weighted-average period of approximately two years.

Compensation expense recorded for the three months ended March 31, 2011 and 2010 related to the non-vested restricted stock and stock options was $2,224,000 and $173,000, respectively.

In connection with the Offering, the board of directors of the general partner adopted the CVR Partners, LP Long-Term Incentive Plan ("CVR Partners' LTIP"). Individuals who are eligible to receive awards under the CVR Partners' LTIP include CVR Partners', its subsidiaries', and its parent's employees, officers, consultants and directors. The CVR Partners' LTIP provides for the grant of options, unit appreciation rights, distribution equivalent rights, restricted units, phantom units and other unit-based awards, each in respect of common units. In connection with the Offering, phantom units were issued to certain board members of the general partner. These phantom units are expected to vest six months following the grant date.

(4) Inventories

Inventories consist primarily of domestic and foreign crude oil, blending stock and components, work-in-progress, fertilizer products, and refined fuels and by-products. Inventories are valued at the lower of the first-in, first-out ("FIFO") cost or market for fertilizer products, refined fuels and by-products for all periods presented. Refinery unfinished and finished products inventory values were determined using the ability-to-bear process, whereby raw materials and production costs are allocated to work-in-process and finished products based on their relative fair values. Other inventories, including other raw materials, spare parts, and supplies, are valued at the lower of moving-average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

Inventories consisted of the following:

	March 31, 2011	December 31, 2010
	(in thousands)	
Finished goods	$ 119,081	$ 110,788
Raw materials and precious metals	218,726	89,333
In-process inventories	34,575	22,931
Parts and supplies	22,694	24,120
	$ 395,076	$ 247,172

(5) Property, Plant, and Equipment

A summary of costs for property, plant, and equipment is as follows:

	March 31, 2011	December 31, 2010
	(in thousands)	
Land and improvements	$ 19,367	$ 19,228
Buildings	26,830	25,663
Machinery and equipment	1,364,320	1,363,877
Automotive equipment	8,647	8,747
Furniture and fixtures	9,589	9,279
Leasehold improvements	1,253	1,253
Construction in progress	44,150	42,674
	1,474,156	1,470,721
Accumulated depreciation	410,325	389,409
	$ 1,063,831	$ 1,081,312

Capitalized interest recognized as a reduction in interest expense for the three months ended March 31, 2011 and 2010, totaled approximately $86,000 and $881,000, respectively. Buildings and equipment that are under a capital lease obligation approximated $332,000 as of March 31, 2011. Amortization of assets held under capital leases is included in depreciation expense.

(6) Cost Classifications

Cost of product sold (exclusive of depreciation and amortization) includes cost of crude oil, other feedstocks, blendstocks, pet coke expense and freight and distribution expenses. Cost of product sold excludes depreciation and amortization of $632,000 and $728,000 for the three months ended March 31, 2011 and 2010, respectively.

Direct operating expenses (exclusive of depreciation and amortization) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, as well as chemicals and catalysts and other direct operating expenses. Direct operating expenses exclude depreciation and amortization of $20,876,000 and $20,018,000 for the three months ended March 31, 2011 and 2010, respectively.

Selling, general and administrative expenses (exclusive of depreciation and amortization) consist primarily of legal expenses, treasury, accounting, marketing, human resources and costs associated with maintaining the corporate and administrative office in Texas and the administrative office in Kansas. Selling, general and administrative expenses exclude depreciation and amortization of $503,000 and $514,000 for the three months ended March 31, 2011 and 2010, respectively.

(7) Note Payable and Capital Lease Obligations

The Company entered into an insurance premium finance agreement in July 2010 to finance a portion of the purchase of its 2010/2011 property insurance policies. The original balance of the note provided by the Company under such agreement was $5,000,000. The Company began to repay this note in equal installments commencing October 1, 2010. As of March 31, 2011 and December 31, 2010, the Company owed $1,250,000 and $3,125,000, respectively, related to this note.

From time to time the Company enters lease agreements for purposes of acquiring assets used in the normal course of business. The majority of the Company’s leases are accounted for as operating leases. During 2010, the Company entered two lease agreements for information technology equipment that are accounted for as capital leases. The initial capital lease obligation of these agreements totaled $415,000. The two capital leases entered into during 2010 have terms of 12 and 36 months. As of March 31, 2011, the outstanding capital lease obligation associated with these leases totaled $245,000.

The Company also entered into a capital lease for real property used for corporate purposes on May 29, 2008. The lease had an initial lease term of one year with an option to renew for three additional one-year periods. During the second quarter of 2010, the Company renewed the lease for a one-year period commencing June 5, 2010. The Company was obligated to make quarterly lease payments that total $80,000 annually. The Company also had the option to purchase the property during the term of the lease, including the renewal periods. The capital lease obligation was $4,587,000 as of December 31, 2010. In March 2011, the Company exercised its purchase option and paid approximately $4,739,000 to satisfy the lease obligation.

(8) Insurance Claims

Nitrogen Fertilizer Incident

On September 30, 2010, the nitrogen fertilizer plant experienced an interruption in operations due to a rupture of a high-pressure UAN vessel. All operations at the nitrogen fertilizer facility were immediately shut down. No one was injured in the incident. Repairs to the facility as a result of the rupture were substantially complete as of December 31, 2010.

Total gross costs recorded as of March 31, 2011 due to the incident was approximately $10,893,000 for repairs and maintenance and other associated costs. Approximately $371,000 of these costs was recognized during the three months ended March 31, 2011. The repairs and maintenance costs incurred are included in direct operating expenses (exclusive of depreciation and amortization). Of the costs incurred approximately $4,445,000 was capitalized.

The Company maintains property damage insurance policies which have an associated deductible of $2,500,000. The Company anticipates that substantially all of the repair costs in excess of the $2,500,000 deductible should be covered by insurance. These insurance policies also provide coverage for interruption to the business, including lost profits, and reimbursement for other expenses and costs the Company has incurred relating to the damage and losses suffered for business interruption. This coverage, however, only applies to losses incurred after a business interruption of 45 days. In connection with the incident, the Company recorded an insurance receivable of $4,500,000, of which $4,275,000 of insurance proceeds was received in December 2010 and the remaining $225,000 was received in January 2011. The recording of the insurance receivable resulted in a reduction of direct operating expenses (exclusive of depreciation and amortization).

In the first quarter of 2011, the Company submitted a partial business interruption claim for damages and losses, as afforded by its insurance policies. The Company’s insurance carriers agreed to make interim payments totaling $2,870,000. Through March 31, 2011, the Company had received insurance proceeds totaling $2,315,000 related to its business interruption claim and received the remaining $555,000 in April 2011. The proceeds received and to be received as of March 31, 2011 have been included on the Condensed Consolidated Statements of Operations under Insurance recovery -business interruption.

Refinery Incident

On December 28, 2010 the crude oil refinery experienced an equipment malfunction and small fire in connection with its fluid catalytic cracking unit ("FCCU"), which led to reduced crude throughput. The refinery returned to full operations on January 26, 2011. This interruption adversely impacted the production of refined products for the petroleum business in the first quarter of 2011. Total gross repair and other costs recorded related to the incident as of March 31, 2011 was approximately $8,005,000. Of this amount approximately $7,390,000, was recorded during the three months ended March 31, 2011. As documented above, the Company maintains property damage insurance policies which have an associated deductible of $2,500,000. The Company anticipates that substantially all of the costs in excess of the deductible should be covered by insurance. As of March 31, 2011, the Company recorded an insurance receivable related to the incident of approximately $5,505,000. The recording of the insurance receivable resulted in a reduction of direct operating expenses (exclusive of depreciation and amortization).

(9) Income Taxes

The Company recognizes liabilities, interest and penalties for potential tax issues based on its estimate of whether, and the extent to which, additional taxes may be due as determined under ASC Topic 740 — *Income Taxes*. As of March 31, 2011, the Company had unrecognized tax benefits of approximately $245,000 which, if recognized, would impact the Company's effective tax rate. Unrecognized tax benefits that are not expected to be settled within the next twelve months are included in other long-term liabilities in the condensed consolidated balance sheet; unrecognized tax benefits that are expected to be settled within the next twelve months are included in income taxes payable. The Company has not accrued any amounts for interest or penalties related to uncertain tax positions. The Company's accounting policy with respect to interest and penalties related to tax uncertainties is to classify these amounts as income taxes.

CVR and its subsidiaries file U.S. federal and various state income and franchise tax returns. At March 31, 2011, the Company's tax filings are generally open to examination in the United States for the tax years ended December 31, 2008 through December 31, 2010 and in various individual states for the tax years ended December 31, 2007 through December 31, 2010.

The Company's effective tax rate for the three months ended March 31, 2011 was 37.2%, as compared to the Company's combined federal and state expected statutory tax rate of 39.7%. The Company's effective tax rate for the three months ended March 31, 2010 was 38.4%.

(10) Earnings Per Share

Basic and diluted earnings per share are computed by dividing net income (loss) by weighted-average common shares outstanding. The components of the basic and diluted earnings (loss) per share calculation are as follows:

	For the Three Months Ended March 31, 2011	For the Three Months Ended March 31, 2010
	(in thousands, except share data)	
Net income (loss)	$ 45,788	$ (12,363)
Weighted-average common shares outstanding	86,413,781	86,329,237
Effect of dilutive securities:		
Non-vested common stock	1,366,782	—
Stock options	3,294	—
Weighted-average common shares outstanding assuming dilution	87,783,857	86,329,237
Basic earnings (loss) per share	$ 0.53	$ (0.14)
Diluted earnings (loss) per share	$ 0.52	$ (0.14)

Outstanding stock options totaling 19,606 and 32,350 common shares were excluded from the diluted earnings per share calculation for the three months ended March 31, 2011 and 2010, respectively, as they were antidilutive. For the three months ended March 31, 2010, 176,727 shares of non-vested common stock were excluded from the diluted earnings (loss) per share calculation, as they were antidilutive.

(11) Commitments and Contingencies

Leases and Unconditional Purchase Obligations

The minimum required payments for the Company's lease agreements and unconditional purchase obligations are as follows:

	Operating Leases	Unconditional Purchase Obligations(1)
	(in thousands)	
Nine months ending December 31, 2011	$ 4,662	$ 67,125
Year ending December 31, 2012	6,456	86,825
Year ending December 31, 2013	4,599	86,899
Year ending December 31, 2014	2,434	86,979
Year ending December 31, 2015	1,129	81,285
Thereafter	578	407,681
	$ 19,858	$ 816,794

(1) This amount includes approximately $543.5 million payable ratably over ten years pursuant to petroleum transportation service agreements between CRRM and TransCanada Keystone Pipeline, LP ("TransCanada"). Under the agreements, CRRM receives transportation of at least 25,000 barrels per day of crude oil with a delivery point at Cushing, Oklahoma for a term of ten years on TransCanada's Keystone pipeline system. On September 15, 2009, the Company filed a Statement of Claim in the Court of the Queen's Bench of Alberta, Judicial District of Calgary, to dispute the validity of the petroleum transportation service agreements. The Company and TransCanada settled this claim in March 2011. CRRM began receiving crude oil under the agreements on the terms discussed above in the first quarter of 2011.

The Company leases various equipment, including rail cars, and real properties under long-term operating leases, expiring at various dates. For the three months ended March 31, 2011 and 2010, lease expense totaled $1,275,000 and $1,192,000, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at the Company's option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire. The Company also has other customary operating leases and unconditional purchase obligations primarily related to pipeline, storage, utilities and raw material suppliers. These leases and agreements are entered into in the normal course of business.

Litigation

From time to time, the Company is involved in various lawsuits arising in the normal course of business, including matters such as those described below under "Environmental, Health, and Safety ("EHS") Matters." Liabilities related to such litigation are recognized when the related costs are probable and can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. It is possible that management's estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying condensed consolidated financial statements. There can be no assurance that management's beliefs or opinions with respect to liability for potential litigation matters are accurate.

Samson Resources Company, Samson Lone Star, LLC and Samson Contour Energy E&P, LLC (together, "Samson") filed fifteen lawsuits in federal and state courts in Oklahoma and two lawsuits in state courts in New Mexico against CRRM and other defendants between March 2009 and July 2009. In addition, in May 2010, separate groups of plaintiffs filed two lawsuits against CRRM and other defendants in state court in Oklahoma and Kansas. All of the lawsuits filed in state court were removed to federal court. All of the lawsuits (except for the New Mexico suits, which remain in federal court in New Mexico) were then transferred to the Bankruptcy Court for the United States District Court for the District of Delaware, where the Sem bankruptcy resides. In March 2011, CRRM was dismissed without prejudice from the New Mexico suits. All of the lawsuits allege that Samson or other respective plaintiffs sold crude oil to a group of companies, which generally are known as SemCrude or SemGroup (collectively, "Sem"), which later declared bankruptcy and that Sem has not paid such plaintiffs for all of the crude oil purchased from Sem. The Samson lawsuits further allege that Sem sold some of the crude oil purchased from Samson to J. Aron & Company ("J. Aron") and that J. Aron sold some of this crude oil to CRRM. All of the lawsuits seek the same remedy, the imposition of a trust, an accounting and the return of crude oil or the proceeds therefrom. The amount of the plaintiffs' alleged claims is unknown since the price and amount of crude oil sold by the plaintiffs and eventually received by CRRM through Sem and J. Aron, if any, is unknown. CRRM timely paid for all crude oil purchased from J. Aron and intends to vigorously defend against these claims. On January 26, 2011, CRRM and J. Aron entered into an agreement whereby J. Aron agreed to indemnify and defend CRRM from any damage, out-of-pocket expense or loss in connection with any crude oil involved in the lawsuits which CRRM purchased through J. Aron, and J. Aron agreed to reimburse CRRM's prior attorney fees and out-of-pocket expenses in connection with the lawsuits.

CRNF received a ten year property tax abatement from Montgomery County, Kansas in connection with its construction that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed CRNF's nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment has resulted in an increase to annual property tax expense for CRNF by an average of approximately $11.7 million per year for the year ended December 31, 2010, and approximately $10.7 million for the years ended December 31, 2009 and 2008, respectively. CRNF does not agree with the county's classification of the nitrogen fertilizer plant and CRNF is currently disputing it before the Kansas Court of Tax Appeals ("COTA"). However, CRNF has fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2010, 2009 and 2008 The first payment in respect of CRNF's 2010 property taxes was paid in December 2010 and the second payment was paid in May 2011. These amounts are reflected as a direct operating expense in the Condensed Consolidated Statements of Operations. An evidentiary hearing before COTA occurred during the first quarter of 2011 regarding the property tax claims for the year ended December 31, 2008. CRNF believes COTA is likely to issue a ruling sometime during 2011. However, the timing of a ruling in the case is uncertain, and there can be no assurance CRNF will receive a ruling in 2011. If CRNF is successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, a portion of the accrued and paid expenses would be refunded to CRNF, which could have a material positive effect on the results of operations. If CRNF is not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, CRNF expects that it will pay taxes at or below the elevated rates described above.

See note (1) to the table at the beginning of this Note 11 ("Commitments and Contingencies") for a discussion of the TransCanada litigation.

Flood, Crude Oil Discharge and Insurance

Crude oil was discharged from the Company's refinery on July 1, 2007, due to the short amount of time available to shut down and secure the refinery in preparation for the flood that occurred on June 30, 2007. In connection with the discharge, the Company received in May 2008, notices of claims from sixteen private claimants under the Oil Pollution Act in an aggregate amount of approximately $4,393,000 (plus punitive damages). In August 2008, those claimants filed suit against the Company in the United States District Court for the District of Kansas in Wichita (the "Angleton Case"). In October 2009, a companion case to the Angleton Case was filed in the United States District Court for the District of Kansas in Wichita, seeking a total of $3,200,000 (plus punitive damages) for three additional plaintiffs as a result of the July 1, 2007 crude oil discharge. In August 2010, the Company settled claims with eight of the plaintiffs from the Angleton Case. The settlements did not have a material adverse effect on the consolidated financial statements. The Company believes that the resolution of the remaining claims will not have a material adverse effect on the condensed consolidated financial statements.

As a result of the crude oil discharge that occurred on July 1, 2007, the Company entered into an administrative order on consent (the "Consent Order") with the U.S. Environmental Protection Agency ("EPA") on July 10, 2007. As set forth in the Consent Order, the EPA concluded that the discharge of crude oil from the Company's refinery caused an imminent and substantial threat to the public health and welfare. Pursuant to the Consent Order, the Company agreed to perform specified remedial actions to respond to the discharge of crude oil from the Company's refinery.. The substantial majority of all required remedial actions were completed by January 31, 2009. The Company prepared and provided its final report to the EPA in January 2011 to satisfy the final requirement of the Consent Order. In April 2011, the EPA provided the Company with a notice of completion indicating that the Company has no continuing obligations under the Consent Order, while reserving its rights to recover oversight costs and penalties.

The Company has not estimated or accrued for any potential fines, penalties or claims that may be imposed or brought by regulatory authorities or possible additional damages arising from lawsuits related to the June/July 2007 flood as management does not believe any such fines, penalties or lawsuits would be material nor can they be estimated. On October 25, 2010, the Company received a letter from the United States Coast Guard on behalf of the EPA claiming approximately $1.8 million in oversight cost reimbursement. The Company has requested detailed cost data in order to evaluate the claim. The Company has reviewed and is in the process of responding to the cost data.

The Company is seeking insurance coverage for this release and for the ultimate costs for remediation and property damage claims. On July 10, 2008, the Company filed a lawsuit in the United States District Court for the District of Kansas against certain of the Company's environmental and property insurance carriers requesting insurance coverage indemnification for the June/July 2007 flood and crude oil discharge losses. Each insurer reserved its rights under various policy exclusions and limitations and cited potential coverage defenses. Although the Court has now issued summary judgment opinions that eliminate the majority of the insurance defendants' reservations and defenses, the Company cannot be certain of the ultimate amount or timing of such recovery because of the difficulty inherent in projecting the ultimate resolution of the Company's claims. The Company has received $25,000,000 of insurance proceeds under its primary environmental liability insurance policy which constitutes full payment to the Company of the primary pollution liability policy limit.

The lawsuit with the insurance carriers under the environmental policies remains the only unsettled lawsuit with the insurance carriers. The property insurance lawsuit has been settled and dismissed.

Environmental, Health, and Safety ("EHS") Matters

CRRM, Coffeyville Resources Crude Transportation, LLC ("CRCT"), and Coffeyville Resources Terminal, LLC ("CRT"), all of which are wholly-owned subsidiaries of CVR, and CRNF are subject to various stringent federal, state, and local EHS rules and regulations. Liabilities related to EHS matters are recognized when the related costs are probable and can be reasonably estimated. Estimates of these costs are based upon currently available facts, existing technology, site-specific costs, and currently enacted laws and regulations. In reporting EHS liabilities, no offset is made for potential recoveries.

CRRM, CRNF, CRCT and CRT own and/or operate manufacturing and ancillary operations at various locations directly related to petroleum refining and distribution and nitrogen fertilizer manufacturing. Therefore, CRRM, CRNF, CRCT and CRT have exposure to potential EHS liabilities related to past and present EHS conditions at these locations.

CRRM and CRT have agreed to perform corrective actions at the Coffeyville, Kansas refinery and Phillipsburg, Kansas terminal facility, pursuant to Administrative Orders on Consent issued under the Resource Conservation and Recovery Act ("RCRA") to address historical contamination by the prior owners (RCRA Docket No. VII-94-H-0020 and Docket No. VII-95-H-011, respectively). In 2005, CRNF agreed to participate in the State of Kansas Voluntary Cleanup and Property Redevelopment Program ("VCPRP") to address a reported release of UAN at its UAN loading rack. As of March 31, 2011 and December 31, 2010, environmental accruals of $3,273,000 and $4,090,000, respectively, were reflected in the Consolidated Balance Sheets for probable and estimated costs for remediation of environmental contamination under the RCRA Administrative Orders and the VCPRP, for which $929,000 and $1,538,000, respectively, are included in other current liabilities. The Company's accruals were determined based on an estimate of payment costs through 2031, for which the scope of remediation was arranged with the EPA, and were discounted at the appropriate risk free rates at March 31, 2011 and December 31, 2010, respectively. The accruals include estimated closure and post-closure costs of $887,000 and $921,000 for two landfills at March 31, 2011 and December 31, 2010, respectively. The estimated future payments for these required obligations are as follows:

Year Ending December 31,	Amount (in thousands)
Nine months ended December 31, 2011	$ 765
2012	656
2013	245
2014	245
2015	245
Thereafter	1,710
Undiscounted total	3,866
Less amounts representing interest at 3.24%	593
Accrued environmental liabilities at March 31, 2011	$ 3,273

Management periodically reviews and, as appropriate, revises its environmental accruals. Based on current information and regulatory requirements, management believes that the accruals established for environmental expenditures are adequate.

In 2007, the EPA promulgated the Mobile Source Air Toxic II ("MSAT II") rule that requires the reduction of benzene in gasoline by 2011. CRRM is considered a small refiner under the MSAT II rule and compliance with the rule is extended until 2015 for small refiners. Capital expenditures to comply with the rule are expected to be approximately $10.0 million.

In November 2010, the EPA finalized changes to the Renewable Fuel Standards ("RFS") which require the total volume of renewable transportation fuels sold or introduced in the U.S. to reach 13.95 billion gallons in 2011 and rise to 36 billion gallons by 2022. Due to mandates in the RFS requiring increasing volumes of renewable fuels to replace petroleum products in the U.S. motor fuel market, there may be a decrease in demand for petroleum products. In addition, CRRM may be impacted by increased capital expenses and production costs to accommodate mandated renewable fuel volumes to the extent that these increased costs cannot be passed on to the consumers. CRRM's small refiner status under the original RFS expired on December 31, 2010. Beginning on January 1, 2011, CRRM was required to blend renewable fuels into its gasoline and diesel fuel or purchase renewable energy credits, known as Renewable Identification Numbers (RINs) in lieu of blending. For the three months ended March 31, 2011, CRRM incurred $3.5 million of expense associated with the required mandate which was included in cost of product sold in the Condensed Consolidated Statements of Operations. CRRM will utilize a combination of blending and purchase of additional RINS in 2011 in order to achieve compliance with the renewable fuel standard for the remainder of 2011.

In March 2004, CRRM and CRT entered into a Consent Decree (the "Consent Decree") with the EPA and the Kansas Department of Health and Environment (the "KDHE") to resolve air compliance concerns raised by the EPA and KDHE related to Farmland Industries Inc.'s ("Farmland") prior ownership and operation of the crude oil refinery and Phillipsburg terminal facilities. As a result of CRRM's agreement to install certain controls and implement certain operational changes, the EPA and KDHE agreed not to impose civil penalties, and provided a release from liability for Farmland's alleged noncompliance with the issues addressed by the Consent Decree. Under the Consent Decree, CRRM agreed to install controls to reduce emissions of sulfur dioxide, nitrogen oxides and particulate matter from its FCCU by January 1, 2011. In addition, pursuant to the Consent Decree, CRRM and CRT assumed cleanup obligations at the Coffeyville refinery and the Phillipsburg terminal facilities. The remaining costs of complying with the Consent Decree are expected to be approximately $49 million, of which approximately $47 million is expected to be capital expenditures which does not include the cleanup obligations for historic contamination at the site that are being addressed pursuant to administrative orders issued under RCRA. To date, CRRM and CRT have materially complied with the Consent Decree. On June 30, 2009, CRRM submitted a force majeure notice to the EPA and KDHE in which CRRM indicated that it may be unable to meet the Consent Decree's January 1, 2011 deadline related to the installation of controls on the FCCU because of delays caused by the June/July 2007 flood. In February 2010, CRRM and the EPA agreed to a fifteen month extension of the January 1, 2011, deadline for the installation of controls which was approved by the Court as a material modification to the existing Consent Decree. Pursuant to this agreement, CRRM agreed to offset any incremental emissions resulting from the delay by providing additional controls to existing emission sources over a set timeframe.

In the meantime, CRRM has been negotiating with the EPA and KDHE to replace the current Consent Decree, including the fifteen month extension, with a global settlement under the national petroleum refining initiative. Over the course of the last decade, the EPA has embarked on a National Petroleum Refining Initiative alleging industry-wide noncompliance with four "marquee" issues under the Clean Air Act: New Source Review, Flaring, Leak Detection and Repair, and Benzene Waste Operations NESHAP. The Petroleum Refining Initiative has resulted in most refineries entering into consent decrees imposing civil penalties and requiring substantial expenditures for pollution control and enhanced operating procedures. The EPA has indicated that it will seek to have all refiners enter into "global settlements" pertaining to all "marquee" issues. The current Consent Decree covers some, but not all, of the "marquee" issues. The Company has been negotiating with the EPA to expand the existing Consent Decree obligations to include all of the "marquee" issues under the Petroleum Refining Initiative, and the parties have reached an agreement in principle on most of the issues, including an agreement to further extend the deadline for the installation of controls on the FCCU. Under the global settlement, the Company may be required to pay a civil penalty, but the incremental capital expenditures would not be material and would be limited primarily to the retrofit and replacement of heaters and boilers over a five to seven year timeframe.

On February 24, 2010, the Company received a letter from the United States Department of Justice on behalf of the EPA seeking a $900,000 civil penalty related to alleged late and incomplete reporting of air releases in violation of the Comprehensive Environmental Response, Compensation, and Liability Act and the Emergency Planning and Community Right to Know Act. The Company has reviewed and intends to contest the EPA's allegation.

In 2007, the federal Occupational Safety and Health Act ("OSHA") began process safety management ("PSM") inspections of all refineries under its jurisdiction as part of its National Emphasis Program (the "NEP"). In addition, OSHA announced in 2009 that it was going to pursue NEP inspections for chemical operations. As such, OSHA began a PSM NEP inspection at the nitrogen fertilizer plant in late 2010 resulting in an assessed penalty of approximately $9,700 and noted no serious violations.

Environmental expenditures are capitalized when such expenditures are expected to result in future economic benefits. For the three months ended March 31, 2011 and 2010, capital expenditures were approximately $1,578,000 and $7,663,000, respectively, and were incurred to improve the environmental compliance and efficiency of the operations.

CRRM, CRNF, CRCT and CRT each believe it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the business, financial condition, or results of operations.

(12) Long-Term Debt

Long-term debt was as follows:

	March 31, 2011	December 31, 2010
	(in thousands)	
9.0% Senior Secured Notes, due 2015, net of unamortized discount of $1,013 and $1,065 as of March 31, 2011 and December 31, 2010, respectively	$ 246,487	$ 246,435
10.875% Senior Secured Notes, due 2017, net of unamortized discount of $2,412 and $2,481 as of March 31, 2011 and December 31, 2010, respectively	222,588	222,519
Long-term debt	$ 469,075	$ 468,954

Senior Secured Notes

On April 6, 2010, CRLLC and its wholly-owned subsidiary, Coffeyville Finance Inc. (together the "Issuers"), completed a private offering of $275,000,000 aggregate principal amount of 9.0% First Lien Senior Secured Notes due 2015 (the "First Lien Notes") and $225,000,000 aggregate principal amount of 10.875% Second Lien Senior Secured Notes due 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). The First Lien Notes were issued at 99.511% of their principal amount and the Second Lien Notes were issued at 98.811% of their principal amount. The associated original issue discount of the Notes is amortized to interest expense and other financing costs over the respective term of the Notes. On December 30, 2010, CRLLC made a voluntary unscheduled principal payment of $27,500,000 on the First Lien Notes that resulted in a premium payment of 3.0% and a partial write-off of previously deferred financing costs and unamortized original issue discount. At March 31, 2011, the estimated fair value of the First and Second Lien Notes was $269,156,000 and $255,938,000, respectively. These estimates of fair value were determined by quotations obtained from a broker-dealer who makes a market in these and similar securities. The Notes are fully and unconditionally guaranteed by each of CRLLC's subsidiaries that also guarantee the first priority credit facility. In connection with the closing of the Partnership's initial public offering in April 2011, the Partnership and CRNF were released from their guarantees of the Notes.

The First Lien Notes mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes mature on April 1, 2017, unless earlier redeemed or repurchased by the Issuers. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year.

Senior Notes Tender Offer

The completion of the initial public offering of the Partnership in April 2011 triggered a Fertilizer Business Event (as defined in the indentures governing the Notes). As a result, CRLLC and Coffeyville Finance Inc. were required to offer to purchase a portion of the Notes from holders at a purchase price equal to 103.0% of the principal amount plus accrued and unpaid interest. A Fertilizer Business Event Offer was made on April 14, 2011 to purchase up to $100.0 million of the First Lien Notes and the Second Lien Notes, as required in the indentures governing the Notes. Holders of the Notes have until May 16, 2011 to properly tender Notes they wish to have repurchased.

ABL Credit Facility

On February 22, 2011, CRLLC entered into a $250.0 million asset-backed revolving credit agreement ("ABL credit facility") with a group of lenders including Deutsche Bank Trust Company Americas as collateral and administrative agent. The ABL credit facility is scheduled to mature in August 2015 and replaced the $150.0 million first priority revolving credit facility which was terminated. The ABL credit facility will be used to finance ongoing working capital, capital expenditures, letter of credit issuances and general needs of the Company and includes among other things, a letter of credit sublimit equal to 90% of the total facility commitment and a feature which permits an increase in borrowings of up to $500.0 million (in the aggregate), subject to additional lender commitments. As of March 31, 2011, CRLLC had availability under the ABL credit facility of $208,356,000 and had letters of credit outstanding of approximately $41,644,000. There were no borrowings outstanding from the ABL credit facility as of March 31, 2011.

Borrowings under the facility bear interest based on a pricing grid determined by the previous quarter's excess availability. The pricing for borrowings under the ABL credit facility can range from LIBOR plus a margin of 2.75% to LIBOR plus 3.0% or the prime rate plus 1.75% to prime rate plus 2.0% for Base Rate Loans. Availability under the ABL credit facility is determined by a borrowing base formula supported primarily by cash and cash equivalents, certain accounts receivable and inventory.

The ABL credit facility contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness, creation of liens on assets, the ability to dispose of assets, make restricted payments, investments or acquisitions, enter into sale-lease back transactions or enter into affiliate transactions. The ABL credit facility also contains a fixed charge coverage ratio financial covenant that is triggered when borrowing base excess availability is less than certain thresholds, as defined under the facility. As of March 31, 2011, CRLLC was in compliance with the covenants of the ABL credit facility.

In connection with the ABL credit facility, through March 31, 2011, CRLLC has incurred lender and other third party costs of approximately $4,996,000. These costs will be deferred and amortized to interest expense and other financing costs using a straight-line method over the term of the facility. Additionally, in connection with termination of the first priority credit facility, a portion of the unamortized deferred financing costs associated with this facility, totaling approximately $1,908,000, was written off in the first quarter of 2011. In accordance with guidance provided by the FASB regarding the modification of revolving debt arrangements, the remaining $781,000 unamortized deferred financing costs associated with the first priority credit facility will continue to be amortized over the term of the ABL credit facility.

Included in other current liabilities on the Condensed Consolidated Balance Sheets is accrued interest payable totaling $23,780,000 and $12,167,000 as of March 31, 2011 and December 31, 2010, respectively. As of March 31, 2011, of the accrued interest payable, approximately $23,372,000 is related to the Notes. As of December 31, 2010, of the accrued interest payable, approximately $11,837,000 is related to the Notes and the first priority credit facility borrowing arrangement.

In connection with the closing of the Partnership's initial public offering in April 2011, the Partnership and CRNF were released as guarantors of the ABL credit facility.

See Note 17 ("Subsequent Events") for discussion of the $125.0 million credit facility entered into in April 2011 by CRNF to finance on-going working capital, capital expenditures, letter of credit issuances and general needs of CRNF.

(13) Fair Value Measurements

In accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures* ("ASC 820"), the Company utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

ASC 820 utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1 — Quoted prices in active market for identical assets and liabilities
- Level 2 — Other significant observable inputs (including quoted prices in active markets for similar assets or liabilities)
- Level 3 — Significant unobservable inputs (including the Company's own assumptions in determining the fair value)

The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, as of March 31, 2011 and December 31, 2010:

	March 31, 2011			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Location and Description				
Cash equivalents (money market account)	$ 11,057	$ —	$ —	$ 11,057
Other current assets (marketable securities)	27	—	—	27
Total Assets	$ 11,084	$ —	$ —	$ 11,084
Other current liabilities (Other derivative agreements)	—	(7,301)	—	(7,301)
Total Liabilities	$ —	$ (7,301)	$ —	$ (7,301)

	December 31, 2010			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Location and Description				
Cash equivalents (money market account)	$ 70,052	$ —	$ —	$ 70,052
Other current assets (marketable securities)	26	—	—	26
Total Assets	$ 70,078	$ —	$ —	$ 70,078
Other current liabilities (Other derivative agreements)	—	(4,043)	—	(4,043)
Total Liabilities	$ —	$ (4,043)	$ —	$ (4,043)

As of March 31, 2011, the only financial assets and liabilities that are measured at fair value on a recurring basis are the Company's money market account, available-for-sale marketable securities and derivative instruments. Additionally, the fair value of the Company's Notes is disclosed in Note 12 ("Long-Term Debt"). The Company's commodity derivative contracts giving rise to a liability under Level 2 are valued using broker quoted market prices of similar commodity contracts. The Company had no transfers of assets or liabilities between any of the above levels during the three months ended March 31, 2011.

The Company's investments in marketable securities are classified as available-for-sale, and as a result, are reported at fair market value using quoted market prices. These marketable securities totaled approximately $27,000 as of March 31, 2011 and are included in other current assets on the Condensed Consolidated Balance Sheets. Unrealized gains or losses, net of related income taxes are reported as a component of accumulated other comprehensive income. For the three months ended March 31, 2011, the unrealized gain, net of tax, associated with these marketable securities was nominal.

(14) Derivative Financial Instruments

Gain (loss) on derivatives, net consisted of the following:

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(in thousands)	
Realized gain (loss) on other derivative agreements	$ (18,848)	$ 85
Unrealized gain (loss) on other derivative agreements	(3,258)	1,435
Realized gain (loss) on interest rate swap agreements	—	(1,775)
Unrealized gain (loss) on interest rate swap agreements	—	1,745
Total gain (loss) on derivatives, net	$ (22,106)	$ 1,490

CVR is subject to price fluctuations caused by supply and demand conditions, weather, economic conditions, interest rate fluctuations and other factors. To manage price risk on crude oil and other inventories and to fix margins on certain future production, the Company from time to time enters into various commodity derivative transactions. The Company, as further described below, entered into an interest rate swap as required by its long-term debt agreements. The interest rate swap was for the purpose of managing interest rate risk.

CVR has adopted accounting standards which impose extensive record-keeping requirements in order to designate a derivative financial instrument as a hedge. CVR holds derivative instruments, such as exchange-traded crude oil futures and certain over-the-counter forward swap agreements, which it believes provide an economic hedge on future transactions, but such instruments are not designated as hedges for GAAP purposes. Gains or losses related to the change in fair value and periodic settlements of these derivative instruments are classified as gain (loss) on derivatives, net in the Condensed Consolidated Statements of Operations.

CVR maintains a margin account to facilitate other commodity derivative activities. A portion of this account may include funds available for withdrawal. These funds are included in cash and cash equivalents within the Condensed Consolidated Balance Sheets. The maintenance margin balance is included within other current assets within the Condensed Consolidated Balance Sheets. Dependant upon the position of the open commodity derivatives, the amounts are accounted for as an other current asset or an other current liability within the Condensed Consolidated Balance Sheets. From time to time, CVR may be required to deposit additional funds into this margin account.

Interest Rate Swap

Until June 30, 2010, CRLLC held derivative contracts known as interest rate swap agreements (the "Interest Rate Swap") that converted CRLLC's floating-rate bank debt into 4.195% fixed-rate debt on a notional amount of $180,000,000 from March 31, 2009 until March 31, 2010 and $110,000,000 from March 31, 2010 until June 30, 2010. The Interest Rate Swap expired on June 30, 2010. Half of the Interest Rate Swap agreements were held with a related party (as described in Note 15, "Related Party Transactions"), and the other half were held with a financial institution that was also a lender under CRLLC's first priority credit facility until April 6, 2010.

Under the Interest Rate Swap, CRLLC paid the fixed rate of 4.195% and received a floating rate based on three month LIBOR rates, with payments calculated on the notional amount. The notional amount did not represent the actual amount exchanged by the parties but instead represented the amount on which the contracts were based. The Interest Rate Swap was settled quarterly and marked to market at each reporting date with all unrealized gains and losses recognized in income. Transactions related to the Interest Rate Swap agreements were not allocated to the Petroleum or Nitrogen Fertilizer segments.

(15) Related Party Transactions

Until February 2011, the Goldman Sachs Funds and Kelso Funds owned approximately 40% of CVR. Through a registered public offering, the Goldman Sachs Funds and the Kelso Funds sold into the public market shares of CVR Energy common stock in February 2011. As a result of this sale, the Goldman Sachs Funds are no longer a stockholder of the Company and, as of the date of this Report, the Kelso Funds' own approximately 9% of CVR's common stock.

Interest Rate Swap

On June 30, 2005, the Company entered into three Interest Rate Swap agreements with J. Aron. These swap agreements expired on June 30, 2010. As such, there was no financial statement impact for the three months ended March 31, 2011. Net losses totaling $15,000 were recognized related to these swap agreements for the three months ended March 31, 2010 and were reflected in gain (loss) on derivatives, net in the Condensed Consolidated Statements of Operations. See Note 14, ("Derivative Financial Instruments") for additional information.

Cash and Cash Equivalents

The Company holds a portion of its cash balance in a highly liquid money market account with average maturities of less than 90 days within the Goldman Sachs Funds family. As of March 31, 2011 and December 31, 2010, the balance in the account was approximately $11,057,000 and $70,052,000, respectively. For the three months ended March 31, 2011, the account earned interest income of approximately $5,000. The interest income earned on the account for the three months ended March 31, 2010 was nominal.

Financing and Other

In March 2010, CRLLC amended its outstanding first priority credit facility. In connection with the amendment, CRLLC paid a subsidiary of GS fees and expenses of $905,000 for their services as lead bookrunner.

For the three months ended March 31, 2011 and 2010, the Company recognized approximately $265,000 and $21,000, respectively, in expenses for the benefit of GS and Kelso in accordance with CVR's Registration Rights Agreement. These amounts included registration and filing fees, printing fees, external accounting fees and external legal fees.

In connection with the Offering of the Partnership, an affiliate of GS received an underwriting fee of $5,741,000 for their role as joint book-running managers. In April 2011, CRNF entered into a credit facility as discussed further in Note 17 ("Subsequent Events") whereby an affiliate of GS was paid fees and expenses of $2,004,000.

(16) Business Segments

The Company measures segment profit as operating income for Petroleum and Nitrogen Fertilizer, CVR's two reporting segments, based on the definitions provided in ASC Topic 280 — *Segment Reporting*. All operations of the segments are located within the United States.

Petroleum

Principal products of the Petroleum Segment are refined fuels, propane and petroleum refining by-products including pet coke. The Petroleum Segment sells the pet coke to the Partnership for use in the manufacture of nitrogen fertilizer at the adjacent nitrogen fertilizer plant in accordance with a pet coke supply agreement. For the Petroleum Segment, a per-ton transfer price is used to record intercompany sales on the part of the Petroleum Segment and a corresponding intercompany cost of product sold (exclusive of depreciation and amortization) is recorded for the Nitrogen Fertilizer Segment. The price the Nitrogen Fertilizer Segment pays pursuant to the pet coke supply agreement is based on the lesser of a pet coke price derived from the price received for UAN, or the UAN-based price, and a pet coke price index. The UAN-based price begins with a pet coke price of $25 per ton based on a price per ton for UAN (exclusive of transportation cost), or netback price, of $205 per ton, and adjusts up or down $0.50 per ton for every $1.00 change in the netback price. The UAN-based price has a ceiling of $40 per ton and a floor of $5 per ton. The intercompany transactions are eliminated in the Other Segment. Intercompany sales included in Petroleum net sales were $1,372,000 and $413,000 for the three months ended March 31, 2011 and 2010, respectively.

The Petroleum Segment recorded intercompany cost of product sold (exclusive of depreciation and amortization) for the hydrogen sales described below under “Nitrogen Fertilizer” for the three months ended March 31, 2011 and 2010 of $719,000 and $568,000, respectively.

Nitrogen Fertilizer

The principal product of the Nitrogen Fertilizer Segment is nitrogen fertilizer. Intercompany cost of product sold (exclusive of depreciation and amortization) for the pet coke transfer described above was $750,000 and $438,000 for the three months ended March 31, 2011 and 2010, respectively.

Pursuant to the feedstock agreement, the Company’s segments have the right to transfer excess hydrogen to one another. Sales of hydrogen to the Petroleum Segment have been reflected as net sales for the Nitrogen Fertilizer Segment. Receipts of hydrogen from the Petroleum Segment have been reflected in cost of product sold (exclusive of depreciation and amortization) for the Nitrogen Fertilizer Segment. The Nitrogen Fertilizer Segment recorded cost of product sold (exclusive of depreciation and amortization) from intercompany hydrogen purchases of $719,000 and $568,000 for the three months ended March 31, 2011 and 2010, respectively. For the three months ended March 31, 2011 and 2010, there were no net sales of hydrogen from the Nitrogen Fertilizer Segment to the Petroleum Segment.

Other Segment

The Other Segment reflects intercompany eliminations, cash and cash equivalents, all debt related activities, income tax activities and other corporate activities that are not allocated to the operating segments.

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(in thousands)	
Net sales		
Petroleum	$ 1,111,260	$ 856,688
Nitrogen Fertilizer	57,377	38,285
Intersegment eliminations	(1,372)	(461)
Total	$ 1,167,265	$ 894,512
Cost of product sold (exclusive of depreciation and amortization)		
Petroleum	$ 930,283	$ 798,951
Nitrogen Fertilizer	7,491	4,977
Intersegment eliminations	(952)	(1,038)
Total	$ 936,822	$ 802,890
Direct operating expenses (exclusive of depreciation and amortization)		
Petroleum	$ 45,302	$ 38,389
Nitrogen Fertilizer	23,024	22,173
Other	—	—
Total	$ 68,326	$ 60,562
Insurance recovery — business interruption		
Petroleum	$ —	$ —
Nitrogen Fertilizer	(2,870)	—
Other	—	—
Total	$ (2,870)	$ —
Depreciation and amortization		
Petroleum	$ 16,916	$ 16,134
Nitrogen Fertilizer	4,637	4,665
Other	458	461
Total	$ 22,011	$ 21,260
Net costs associated with flood		
Petroleum	$ 108	$ —
Nitrogen Fertilizer	—	—
Other	—	—
Total	$ 108	$ —
Operating income (loss)		
Petroleum	$ 105,690	$ (7,095)
Nitrogen Fertilizer	16,766	2,968
Other	(12,850)	(7,467)
Total	$ 109,606	$ (11,594)
Capital expenditures		
Petroleum	$ 4,588	$ 9,109
Nitrogen Fertilizer	2,041	1,216
Other	708	1,091
Total	$ 7,337	$ 11,416

	As of March 31, 2011	As of December 31, 2010
	(in thousands)	
Total assets		
Petroleum	$ 1,226,030	$ 1,049,361
Nitrogen Fertilizer	479,475	452,165
Other	186,457	238,658
Total	$ 1,891,962	$ 1,740,184
Goodwill		
Petroleum	$ —	$ —
Nitrogen Fertilizer	40,969	40,969
Other	—	—
Total	$ 40,969	$ 40,969

(17) Subsequent Events

CRNF Credit Facility

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility with a group of lenders including Goldman Sachs Lending Partners LLC, as administrative and collateral agent. The credit facility includes a term loan facility of $125,000,000 and a revolving credit facility of $25,000,000 with an uncommitted incremental facility of up to $50,000,000. There is no scheduled amortization of the credit facility with it being due and payable in full at its April 2016 maturity. The Partnership, upon the closing of the credit facility, made a special distribution of approximately $87,192,000 to CRLLC, in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Offering. The credit facility will be used to finance on-going working capital, capital expenditures, letter of credit issuances and general needs of CRNF.

Borrowings under the credit facility bear interest based on a pricing grid determined by the trailing four quarter leverage ratio. The initial pricing for borrowings under the credit facility will be the Eurodollar rate plus a margin of 3.75% or the prime rate plus 2.75% for base rate loans. Under its terms, the lenders under the credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CRNF and the Partnership.

The credit facility requires CRNF to maintain a minimum interest coverage ratio and a maximum leverage ratio and contain customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness or guarantees, creation of liens on assets, the ability to dispose of assets make restricted payments, investments or acquisitions, enter into sale-lease back transactions or enter into affiliate transactions. The credit facility provides that the Partnership can make distributions to holders of its common units provided it is in compliance with the Partnership's leverage ratio and interest coverage ratio covenants on a pro forma basis after giving effect to any distribution and there is no default or event of default under the credit facility.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes and with the statistical information and financial data appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as well as our Annual Report on Form 10-K for the year ended December 31, 2010. Results of operations for the three months ended March 31, 2011 are not necessarily indicative of results to be attained for any other period.

Forward-Looking Statements

This Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" as defined by the Securities and Exchange Commission (the "SEC"). Such statements are those concerning contemplated transactions and strategic plans, expectations and objectives for future operations. These include, without limitation:

- statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future;
- statements relating to future financial performance, future capital sources and other matters; and
- any other statements preceded by, followed by or that include the words "anticipates," "believes," "expects," "plans," "intends," "estimates," "projects," "could," "should," "may," or similar expressions.

Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. These statements are based on assumptions made by us based on our experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate in the circumstances. Such statements are subject to a number of risks and uncertainties, many of which are beyond our control. You are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements as a result of various factors, including but not limited to those set forth in the summary risks noted below and under "Risk Factors" attached hereto as Exhibit 99.1:

- volatile margins in the refining industry;
- exposure to the risks associated with volatile crude oil prices;
- the availability of adequate cash and other sources of liquidity for our capital needs;
- our ability to forecast our future financial condition or results of operations and our future revenues and expenses;
- disruption of our ability to obtain an adequate supply of crude oil;
- interruption of the pipelines supplying feedstock and in the distribution of our products;
- competition in the petroleum and nitrogen fertilizer businesses;
- capital expenditures and potential liabilities arising from environmental laws and regulations;
- changes in our credit profile;
- the cyclical nature of the nitrogen fertilizer business;
- the seasonal nature of our business;
- the supply and price levels of essential raw materials;
- the risk of a material decline in production at our refinery and nitrogen fertilizer plant;
- potential operating hazards from accidents, fire, severe weather, floods or other natural disasters;

- the risk associated with governmental policies affecting the agricultural industry;
- the volatile nature of ammonia, potential liability for accidents involving ammonia that cause interruption to our businesses, severe damage to property and/or injury to the environment and human health and potential increased costs relating to the transport of ammonia;
- the dependence of the nitrogen fertilizer operations on a few third-party suppliers, including providers of transportation services and equipment;
- new regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities;
- our dependence on significant customers;
- the potential loss of the nitrogen fertilizer business' transportation cost advantage over its competitors;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs;
- our ability to continue to license the technology used in our operations;
- existing and proposed environmental laws and regulations, including those relating to climate change, alternative energy or fuel sources, and the end-use and application of fertilizers;
- refinery and nitrogen fertilizer facility operating hazards and interruptions, including unscheduled maintenance or downtime, and the availability of adequate insurance coverage;
- our significant indebtedness, including restrictions in our debt agreements; and
- instability and volatility in the capital and credit markets.

All forward-looking statements contained in this Form 10-Q speak only as of the date of this document. We undertake no obligation to update or revise publicly any forward-looking statements to reflect events or circumstances that occur after the date of this Form 10-Q, or to reflect the occurrence of unanticipated events.

Company Overview

CVR Energy, Inc. and, unless the context requires otherwise, its subsidiaries ("CVR", the "Company", "we", "us" or "our") is an independent refiner and marketer of high value transportation fuels. In addition, until the completion of the initial public offering of CVR Partners (the "Partnership"), a limited partnership which produces nitrogen fertilizers, ammonia and UAN, as discussed in further detail below, we owned all of the interests (other than the managing general partner interest and associated incentive distribution rights) in the Partnership.

Coffeyville Acquisition LLC ("CALLC") formed CVR Energy, Inc. as a wholly owned subsidiary, incorporated in Delaware in September 2006, in order to effect an initial public offering, which was consummated on October 26, 2007. In conjunction with the initial public offering, a restructuring occurred in which CVR became a direct or indirect owner of all of the subsidiaries of CALLC. Additionally, in connection with the initial public offering, CALLC was split into two entities: CALLC and Coffeyville Acquisition II LLC ("CALLC II").

As of December 31, 2010, approximately 40% of our outstanding shares were owned by certain funds affiliated with Goldman Sachs & Co. and Kelso & Company, L.P. ("GS" and "Kelso", respectively), through their respective ownership of CALLC II and CALLC. On February 8, 2011, CALLC and CALLC II completed a sale of our common stock into the public market pursuant to a registered public offering. As a result of this offering, GS sold into the public market its remaining ownership interests in CVR Energy. Additionally, Kelso reduced its interest in the Company and as of the date of this report beneficially owns approximately 9% of all shares outstanding.

On April 13, 2011, the Partnership completed its initial public offering of its common units representing limited partner interests (the "Offering"). The Partnership sold 22,080,000 common units (such amount includes commitments issued pursuant to the exercise of the underwriters over-allotment option) at a price of $16.00 per common unit, resulting in gross proceeds (including the gross proceeds from the exercise of the underwriters' over-allotment option) of $353.3 million prior to underwriting discount and other offering costs. The Partnership's units are listed on the New York Stock Exchange and are traded under the symbol "UAN." In connection with the Offering the Partnership paid approximately $24.7 in underwriting fees and incurred approximately $4.0 million of other offering costs. Approximately $5.7 million was paid to an affiliate of GS acting as joint book-running managers. Until completion of the February 2011 secondary offering (described above), an affiliate of GS was a stockholder and a related party of the Company. As a result of the Offering, CVR indirectly owns 69.8% of the Partnership's outstanding common units and 100% of the Partnership's general partner with its non-economic general partner interest.

We operate under two business segments: petroleum and nitrogen fertilizer. Throughout the remainder of this document, our business segments are referred to as our "petroleum business" and our "nitrogen fertilizer business," respectively.

Petroleum business. Our petroleum business includes a 115,000 bpd complex full coking medium-sour crude oil refinery in Coffeyville, Kansas. In addition, supporting businesses include (1) a crude oil gathering system with a gathering capacity of approximately 35,000 bpd serving Kansas, Oklahoma, western Missouri and southwestern Nebraska, (2) a rack marketing division supplying product through tanker trucks directly to customers located in close geographic proximity to Coffeyville, Kansas and at throughput terminals on Magellan and NuStar Energy, LP's ("NuStar") refined products distribution systems and (3) a 145,000 bpd pipeline system that transports crude oil to our refinery with 1.2 million barrels of associated company-owned storage tanks and an additional 2.7 million barrels of leased storage capacity located at Cushing, Oklahoma. The crude oil gathering system is supported by approximately 300 miles of Company owned and leased pipeline.

Our refinery is situated approximately 100 miles from Cushing, Oklahoma, one of the largest crude oil trading and storage hubs in the United States. Cushing is supplied by numerous pipelines from locations including the U.S. Gulf Coast and Canada, providing us with access to virtually any crude oil variety in the world capable of being transported by pipeline. In addition to rack sales (sales which are made at terminals into third party tanker trucks), we make bulk sales (sales through third party pipelines) into the mid-continent markets via Magellan and into Colorado and other destinations utilizing the product pipeline networks owned by Magellan, Enterprise Products Operating, L.P. and NuStar.

Crude oil is supplied to our refinery through our gathering system and by a Plains pipeline from Cushing, Oklahoma. We maintain capacity on the Spearhead and Keystone pipelines (as discussed more fully in Note 11 to the financial statements) from Canada and have access to foreign and deepwater domestic crude oil via the Seaway Pipeline system from the U.S. Gulf Coast to Cushing. We also maintain leased storage in Cushing to facilitate optimal crude oil purchasing and blending. Our refinery blend consists of a combination of crude oil grades, including onshore and offshore domestic grades, various Canadian medium and heavy sours and sweet synthetics and from time to time a variety of South American, North Sea, Middle East and West African imported grades. The access to a variety of crude oils coupled with the complexity of our refinery allows us to purchase crude oil at a discount to WTI. Our consumed crude cost discount to WTI for the first quarter of 2011 was $(5.65) per barrel compared to $(3.02) per barrel in the first quarter of 2010.

Nitrogen fertilizer business. The nitrogen fertilizer business consists of our interest in the Partnership, which, after its initial public offering, is controlled by us. The nitrogen fertilizer business consists of a nitrogen fertilizer manufacturing facility that is the only operation in North America that utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer. The facility includes a 1,225 ton-per-day ammonia unit, a 2,025 ton-per-day UAN unit and a gasifier complex having a capacity of 84 million standard cubic feet per day. The gasifier is a dual-train facility, with each gasifier able to function independently of the other, thereby providing redundancy and improving reliability. The nitrogen fertilizer business upgrades a majority of the ammonia it produces to higher margin UAN fertilizer, an aqueous solution of urea and ammonium nitrate which has historically commanded a premium price over ammonia. In 2010, the nitrogen fertilizer business produced 392,745 tons of ammonia, of which approximately 60% was upgraded into 578,272 tons of UAN.

The primary raw material feedstock utilized in our nitrogen fertilizer production process is pet coke, which is produced during the crude oil refining process. In contrast, substantially all of the nitrogen fertilizer businesses' competitors use natural gas as their primary raw material feedstock. Historically, pet coke has been significantly less expensive than natural gas on a per ton of fertilizer produced basis and pet coke prices have been more stable when compared to natural gas prices. By using pet coke as the primary raw material feedstock instead of natural gas, the nitrogen fertilizer business has historically been the lowest cost producer and marketer of ammonia and UAN fertilizers in North America. The nitrogen fertilizer business currently purchases most of its pet coke from CVR pursuant to a long-term agreement having an initial term that ends in 2027, subject to renewal. During the past five years, over 70% of the pet coke utilized by the nitrogen fertilizer plant was produced and supplied by CVR's crude oil refinery.

Major Influences on Results of Operations

Petroleum Business

Our earnings and cash flows from our petroleum operations are primarily affected by the relationship between refined product prices and the prices for crude oil and other feedstocks. Feedstocks are petroleum products, such as crude oil and natural gas liquids, that are processed and blended into refined products. The cost to acquire feedstocks and the price for which refined products are ultimately sold depend on factors beyond our control, including the supply of and demand for crude oil, as well as gasoline and other refined products which, in turn, depend on, among other factors, changes in domestic and foreign economies, weather conditions, domestic and foreign political affairs, production levels, the availability of imports, the marketing of competitive fuels and the extent of government regulation. Because we apply first-in, first-out ("FIFO") accounting to value our inventory, crude oil price movements may impact net income in the short term because of changes in the value of our unhedged on-hand inventory. The effect of changes in crude oil prices on our results of operations is influenced by the rate at which the prices of refined products adjust to reflect these changes.

Feedstock and refined product prices are also affected by other factors, such as product pipeline capacity, local market conditions and the operating levels of competing refineries. Crude oil costs and the prices of refined products have historically been subject to wide fluctuations. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors beyond our control are likely to continue to play an important role in refining industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the refining industry typically experiences seasonal fluctuations in demand for refined products, such as increases in the demand for gasoline during the summer driving season and for home heating oil during the winter, primarily in the Northeast. In addition to current market conditions, there are long-term factors that may impact the demand for refined products. These factors include mandated renewable fuel standards, proposed climate change laws and regulations, and increased mileage standards for vehicles.

In order to assess our operating performance, we compare our net sales, less cost of product sold, or our refining margin, against an industry refining margin benchmark. The industry refining margin is calculated by assuming that two barrels of benchmark light sweet crude oil is converted into one barrel of conventional gasoline and one barrel of distillate. This benchmark is referred to as the 2-1-1 crack spread. Because we calculate the benchmark margin using the market value of NYMEX gasoline and heating oil against the market value of NYMEX WTI, we refer to the benchmark as the NYMEX 2-1-1 crack spread, or simply, the 2-1-1 crack spread. The 2-1-1 crack spread is expressed in dollars per barrel and is a proxy for the per barrel margin that a sweet crude oil refinery would earn assuming it produced and sold the benchmark production of gasoline and distillate.

Although the 2-1-1 crack spread is a benchmark for our refinery margin, because our refinery has certain feedstock costs and logistical advantages as compared to a benchmark refinery and our product yield is less than total refinery throughput, the crack spread does not account for all the factors that affect refinery margin. Our refinery is able to process a blend of crude oil that includes quantities of heavy and medium sour crude oil that has historically cost less than WTI. We measure the cost advantage of our crude oil slate by calculating the spread between the price of our delivered crude oil and the price of WTI. The spread is referred to as our consumed crude oil differential. Our refinery margin can be impacted significantly by the consumed crude oil differential. Our consumed crude oil differential will move directionally with changes in the WTS differential to WTI and the West Canadian Select (“WCS”) differential to WTI as both these differentials indicate the relative price of heavier, more sour, slate to WTI. The correlation between our consumed crude oil differential and published differentials will vary depending on the volume of light medium sour crude oil and heavy sour crude oil we purchase as a percent of our total crude oil volume and will correlate more closely with such published differentials the heavier and more sour the crude oil slate.

We produce a high volume of high value products, such as gasoline and distillates. We benefit from the fact that our marketing region consumes more refined products than it produces so that the market prices in our region include the logistics cost for U.S. Gulf Coast refineries to ship into our region. The result of this logistical advantage and the fact that the actual product specifications used to determine the NYMEX 2-1-1 crack spread are different from the actual production in our refinery is that prices we realize are different than those used in determining the 2-1-1 crack spread. The difference between our price and the price used to calculate the 2-1-1 crack spread is referred to as gasoline PADD II, Group 3 vs. NYMEX basis, or gasoline basis, and Ultra Low Sulfur Diesel PADD II, Group 3 vs. NYMEX basis, or Ultra Low Sulfur Diesel basis. If both gasoline and Ultra Low Sulfur Diesel basis are greater than zero, this means that prices in our marketing area exceed those used in the 2-1-1 crack spread.

Our direct operating expense structure is also important to our profitability. Major direct operating expenses include energy, employee labor, maintenance, contract labor, and environmental compliance. Our predominant variable cost is energy, which is comprised primarily of electrical cost and natural gas. We are therefore sensitive to the movements of natural gas prices. Assuming the same rate of consumption for the three months ended March 31, 2011, a $1.00 change of natural gas pricing would have increased or decreased our natural gas costs for the quarter by $1.0 million.

Because petroleum feedstocks and products are essentially commodities, we have no control over the changing market. Therefore, the lower the target inventory we are able to maintain significantly reduces the impact of commodity price volatility on our petroleum product inventory position relative to other refiners. This target inventory position is generally not hedged. To the extent our inventory position deviates from the target level, we consider risk mitigation activities usually through the purchase or sale of futures contracts on the NYMEX. Our hedging activities carry customary time, location and product grade basis risks generally associated with hedging activities. Because most of our titled inventory is valued under the FIFO costing method, price fluctuations on our target level of titled inventory have a major effect on our financial results unless the market value of our target inventory is increased above cost.

Consistent, safe, and reliable operations at our refinery are key to our financial performance and results of operations. Unplanned downtime at our refinery may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. We seek to mitigate the financial impact of planned downtime, such as major turnaround maintenance, through a diligent planning process that takes into account the margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors. The refinery generally undergoes a facility turnaround every four to five years. The length of the turnaround is contingent upon the scope of work to be completed. The next turnaround for our refinery is being conducted in two separate phases. The first phase will commence and conclude in the fourth quarter of 2011. The second phase of the turnaround will commence and conclude in the first quarter of 2012.

Our refinery experienced an equipment malfunction and small fire in connection with its FCCU on December 28, 2010, which led to reduced crude throughput and repair cost of approximately $1.9 million, net of the insurance receivable recorded for the three months ended March 31, 2011. We used the resulting downtime to perform certain turnaround activities which had otherwise been scheduled for later in 2011, along with opportunistic maintenance, which cost approximately $4.0 million in total. The refinery returned to full operations on January 26, 2011. This interruption adversely impacted the production of refined products for the petroleum business in the first quarter of 2011. We estimate that approximately 1.9 million barrels of crude oil processing were lost in the first quarter of 2011 due to this incident.

Nitrogen Fertilizer Business

In the nitrogen fertilizer business, earnings and cash flows from operations are primarily affected by the relationship between nitrogen fertilizer product prices, on-stream factors and direct operating expenses. Unlike its competitors, the nitrogen fertilizer business does not use natural gas as a feedstock and uses a minimal amount of natural gas as an energy source in its operations. As a result, volatile swings in natural gas prices have a minimal impact on its results of operations. Instead, our adjacent refinery supplies the nitrogen fertilizer business with most of the pet coke feedstock it needs pursuant to a long-term pet coke supply agreement entered into in October 2007. The price at which nitrogen fertilizer products are ultimately sold depends on numerous factors, including the global supply and demand for nitrogen fertilizer products which, in turn, depends on, among other factors, world grain demand and production levels, changes in world population, the cost and availability of fertilizer transportation infrastructure, weather conditions, the availability of imports, and the extent of government intervention in agriculture markets.

Nitrogen fertilizer prices are also affected by local factors, including local market conditions and the operating levels of competing facilities. An expansion or upgrade of competitors' facilities, international political and economic developments and other factors are likely to continue to play an important role in nitrogen fertilizer industry economics. These factors can impact, among other things, the level of inventories in the market, resulting in price volatility and a reduction in product margins. Moreover, the industry typically experiences seasonal fluctuations in demand for nitrogen fertilizer products.

In addition, the demand for fertilizers is affected by the aggregate crop planting decisions and fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted.

Natural gas is the most significant raw material required in our competitors' production of nitrogen fertilizers. Over the past several years, natural gas prices have experienced high levels of price volatility. This pricing and volatility has a direct impact on our competitors' cost of producing nitrogen fertilizer.

In order to assess the operating performance of the nitrogen fertilizer business, we calculate plant gate price to determine our operating margin. Plant gate price refers to the unit price of fertilizer, in dollars per ton, offered on a delivered basis, excluding shipment costs.

We and other competitors in the U.S. farm belt share a significant transportation cost advantage when compared to our out-of-region competitors in serving the U.S. farm belt agricultural market. In 2010, approximately 45% of the corn planted in the United States was grown within a $35/UAN ton freight train rate of the nitrogen fertilizer plant. We are therefore able to cost-effectively sell substantially all of our products in the higher margin agricultural market, whereas a significant portion of our competitors' revenues is derived from the lower margin industrial market. Our location on Union Pacific's main line increases our transportation cost advantage by lowering the costs of bringing our products to customers, assuming freight rates and pipeline tariffs for U.S. Gulf Coast importers as recently in effect. Our products leave the plant either in trucks for direct shipment to customers or in railcars for destinations located principally on the Union Pacific Railroad, and we do not incur any intermediate transfer, storage, barge freight or pipeline freight charges. We estimate that our plant enjoys a transportation cost advantage of approximately $25 per ton over competitors located in the U.S. Gulf Coast. Selling products to customers within economic rail transportation limits of the nitrogen fertilizer plant and keeping transportation costs low are keys to maintaining profitability.

The value of nitrogen fertilizer products is also an important consideration in understanding our results. During 2010, the nitrogen fertilizer business upgraded approximately 60% of its ammonia production into UAN, a product that presently generates a greater value than ammonia. UAN production is a major contributor to our profitability.

The direct operating expense structure of the nitrogen fertilizer business also directly affects its profitability. Using a pet coke gasification process, the nitrogen fertilizer business has a significantly higher percentage of fixed costs than a natural gas-based fertilizer plant. Major fixed operating expenses include electrical energy, employee labor, maintenance, including contract labor, and outside services. These fixed costs have averaged approximately 86% of direct operating expenses over the 24 months ended December 31, 2010.

Consistent, safe, and reliable operations at the nitrogen fertilizer plant are critical to its financial performance and results of operations. Unplanned downtime of the nitrogen fertilizer plant may result in lost margin opportunity, increased maintenance expense and a temporary increase in working capital investment and related inventory position. The financial impact of planned downtime, such as major turnaround maintenance, is mitigated through a diligent planning process that takes into account margin environment, the availability of resources to perform the needed maintenance, feedstock logistics and other factors. The nitrogen fertilizer plant generally undergoes a facility turnaround every two years. The turnaround typically lasts 13-15 days each turnaround year and costs approximately $3 million to $5 million per turnaround. The nitrogen fertilizer plant underwent a turnaround in the fourth quarter of 2010, at a cost of approximately $3.5 million. The next facility turnaround is currently scheduled for the fourth quarter of 2012.

Agreements Between CVR Energy and the Partnership

In connection with our initial public offering and the transfer of the nitrogen fertilizer business to the Partnership in October 2007, we entered into a number of agreements with the Partnership that govern the business relations between the parties. These include the pet coke supply agreement mentioned above, under which the petroleum business sells pet coke to the nitrogen fertilizer business; a services agreement, in which our management operates the nitrogen fertilizer business; a feedstock and shared services agreement, which governs the provision of feedstocks, including hydrogen, high-pressure steam, nitrogen, instrument air, oxygen and natural gas; a raw water and facilities sharing agreement, which allocates raw water resources between the two businesses; an easement agreement; an environmental agreement; and a lease agreement pursuant to which we lease office space and laboratory space to the Partnership. Certain of these agreements were amended and/or restated in connection with the Offering.

The nitrogen fertilizer business obtains most (over 70% on average during the last five years) of the pet coke it needs from our adjacent crude oil refinery pursuant to the pet coke supply agreement, and procures the remainder on the open market. The price the nitrogen fertilizer business pays pursuant to the pet coke supply agreement is based on the lesser of a pet coke price derived from the price received for UAN, or the UAN-based price, and a pet coke price index. The UAN-based price begins with a pet coke price of $25 per ton based on a price per ton for UAN (exclusive of transportation cost), or netback price, of $205 per ton, and adjusts up or down $0.50 per ton for every $1.00 change in the netback price. The UAN-based price has a ceiling of $40 per ton and a floor of $5 per ton.

Vitol Agreement

On March 30, 2011, CRRM and Vitol Inc. (“Vitol”) entered into a Crude Oil Supply Agreement (the “Vitol Agreement”). This agreement replaced the previous supply agreement between CRRM and Vitol dated December 2, 2008, as amended, which was terminated by Vitol and CRRM on March 30, 2011.

The Vitol Agreement provides that CRRM will continue to obtain all of the crude oil for CRRM’s refinery through Vitol, other than the crude oil gathered by us from Kansas, Missouri, North Dakota and Oklahoma, Wyoming and all adjacent states. CRRM and Vitol will continue to work together to identify crude oil and pricing terms that meet CRRM's crude oil requirements. CRRM and/or Vitol will negotiate the costs of each barrel of crude oil that is purchased from third-party crude oil suppliers. Vitol purchases all such crude oil, executes all third-party sourcing transactions and provides transportation and other logistical services for the subject crude oil. Vitol then sells such crude oil and delivers the same to CRRM. Title and risk of loss for all crude oil purchased by CRRM through the Vitol Agreement passes to CRRM upon delivery to the Company's Broome Station, located near Caney, Kansas. CRRM generally pays Vitol a fixed origination fee per barrel over the negotiated cost of each barrel purchased. The Vitol Agreement commenced March 30, 2011 and extends for an initial term ending December 31, 2013, but also allows for automatic renewal for successive one-year terms.

Factors Affecting Comparability of Our Financial Results

Our historical results of operations for the periods presented may not be comparable with prior periods or to our results of operations in the future for the reasons discussed below.

Refinancing and Prior Indebtedness

On February 22, 2011, CRLLC entered into a $250.0 million asset-backed revolving credit agreement ("ABL credit facility"). The ABL credit facility replaced the first priority credit facility which was terminated. As a result of the termination of the first priority credit facility, we wrote-off a portion of our previously deferred financing costs of approximately $1.9 million. This write-off is reflected on the Condensed Consolidated Statements of Operations as a loss on extinguishment of debt for the three months ended March 31, 2011. In connection with the ABL credit facility, CRLLC incurred approximately $5.0 million of fees that were deferred and are to be amortized over the term of the credit facility on a straight-line basis.

In January 2010, we made a voluntary unscheduled principal payment of $20.0 million on our tranche D term loans. In addition, we made a second voluntary unscheduled principal payment of $5.0 million in February 2010, reducing our tranche D term loans' outstanding principal balance to $453.3 million. In connection with these voluntary prepayments, we paid a 2.0% premium totaling $0.5 million to the lenders of our first priority credit facility. In April 2010, we paid off the remaining $453.0 million tranche D term loans. This payoff was made possible by the issuance of $275.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due 2015 (the "First Lien Notes") and $225.0 million aggregate principal amount of 10.875% Second Lien Senior Secured Notes due 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). In connection with the payoff, we paid a 2.0% premium totaling approximately $9.1 million.

On March 12, 2010, CRLLC entered into a fourth amendment to its first priority credit facility. The amendment, among other things, provided CRLLC the opportunity to issue junior lien debt, subject to certain conditions, including, but not limited to, a requirement that 100% of the proceeds be used to prepay the tranche D term loans. The amendment also provided CRLLC the ability to issue up to $350.0 million of first lien debt, subject to certain conditions, including, but not limited to, a requirement that 100% of the proceeds be used to prepay all of the remaining tranche D term loans.

In connection with the fourth amendment, CRLLC incurred lender fees of approximately $4.5 million. These fees were recorded as deferred financing costs in the first quarter of 2010. In addition, CRLLC incurred third party costs of approximately $1.5 million primarily consisting of administrative and legal costs. Of the third party costs incurred we expensed $1.1 million in 2010 and the remaining $0.4 million was recorded as additional deferred financing costs.

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility with a group of lenders. The credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million with an uncommitted incremental facility of up to $50.0 million. There is no scheduled amortization and the credit facility matures in April 2016. The Partnership, upon the closing of the credit facility, made a special distribution of approximately $87.2 million to CRLLC, in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Offering. The credit facility will be used to finance on-going working capital, capital expenditures, letter of credit issuances and general needs of CRNF.

Share-Based Compensation

Through a wholly-owned subsidiary, we have two Phantom Unit Appreciation Plans (the "Phantom Unit Plans") whereby directors, employees, and service providers may be awarded phantom points at the discretion of the board of directors or the compensation committee. We account for awards under our Phantom Unit Plans as liability based awards. In accordance with FASB ASC 718, *Compensation — Stock Compensation*, the expense associated with these awards is based on the current fair value of the awards which was derived from a probability-weighted expected return method. The probability-weighted expected return method involves a forward-looking analysis of possible future outcomes, the estimation of ranges of future and present value under each outcome, and the application of a probability factor to each outcome in conjunction with the application of the current value of our common stock price with a Black-Scholes option pricing formula, as remeasured at each reporting date until the awards are settled.

Also, in conjunction with the initial public offering in October 2007, the override units of CALLC were modified and split evenly into override units of CALLC and CALLC II. As a result of the modification, the awards were no longer accounted for as employee awards and became subject to an accounting standard issued by the FASB which provides guidance regarding the accounting treatment by an investor for stock-based compensation granted to employees of an equity method investee. In addition, these awards are subject to an accounting standard issued by the FASB which provides guidance regarding the accounting treatment for equity instruments that are issued to other than employees for acquiring or in conjunction with selling goods or services. In accordance with this accounting guidance, the expense associated with the awards is based on the current fair value of the awards which is derived under the same methodology as the Phantom Unit Plans, as remeasured at each reporting date until the awards vest. Certain override units were fully vested during the second quarter of 2010. Subsequent to the second quarter of 2010, there was no additional expense incurred with respect to these awards. For the three months ended March 31, 2011 and 2010, we increased compensation expense by $16.9 million and $7.1 million, respectively, as a result of the phantom and override unit share-based compensation awards. We expect to incur additional incremental share-based compensation expense with respect to unvested override units and phantom awards to the extent our common stock price increases.

Through the Company's Long-Term Incentive Plan, shares of non-vested common stock may be awarded to the Company's employees, officers, consultants, advisors and directors. Non-vested shares, when granted, are valued at the closing market price of CVR's common stock and the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the stock. For the three months ended March 31, 2011 and 2010, we incurred compensation expense of $2.2 million and $0.2 million, respectively, related to non-vested share-based compensation awards.

Fertilizer Plant Property Taxes

The nitrogen fertilizer plant received a ten year tax abatement from Montgomery County, Kansas in connection with its construction that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed the nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment has resulted in an increase to annual property tax liability for the plant by an average of approximately $10.7 million per year for the years ended December 31, 2008 and December 31, 2009, and approximately $11.7 million for the year ended December 31, 2010. We do not agree with the county's classification of the nitrogen fertilizer plant and are currently disputing it before the Kansas Court of Tax Appeals ("COTA"). However, we have fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2010, 2009 and 2008. The first payment in respect of CRNF's 2010 property taxes was paid in December 2010 and the second payment was paid in May 2011. These amounts are reflected as a direct operating expense in the nitrogen fertilizer business' financial results. An evidentiary hearing before COTA occurred during the first quarter of 2011 regarding our property tax claims for the year ended December 31, 2008. We believe COTA is likely to issue a ruling sometime during 2011. However, the timing of a ruling in the case is uncertain, and there can be no assurance we will receive a ruling in 2011. If we are successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, a portion of the accrued and paid expenses would be refunded to the nitrogen fertilizer business, which could have a material positive effect on its results of operations. If we are not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, we expect that the nitrogen fertilizer business will pay taxes at or below the elevated rates described above.

Noncontrolling Interest

In connection with the April 2011 initial public offering of the Partnership, the noncontrolling interests representing the incentive distribution rights ("IDRs") of the managing general partner were purchased by the Partnership and the IDRs were subsequently extinguished. The payment for the IDRs was paid to owners of CALLC III, which included GS, Kelso and members of CVR senior management. As a result of the Offering, the Company recorded a noncontrolling interest for the common units sold into the public market which represented an approximately 30.2% interest in the net book value of the Partnership at the time of the Offering. Effective with the Offering, CVR Energy's noncontrolling interest reflected on the consolidated balance sheet will be impacted by approximately 30.2% of the net income of the Partnership and related distributions for each future reporting period. The revenue and expenses from the Partnership will continue to be consolidated with CVR Energy's statement of operations based upon the fact that the general partner is owned by CRLLC, a wholly-owned subsidiary of CVR Energy; and therefore has the ability to control the activities of the Partnership. However, the percentage of ownership held by the public unitholders will be reflected as net income attributable to noncontrolling interest in our consolidated statement of operations and will reduce consolidated net income to derive net income attributable to CVR Energy, Inc.

Publicly Traded Partnership Expenses

We expect that our general and administrative expenses will increase due to the costs of the Partnership operating as a publicly traded company, including costs associated with SEC reporting requirements, including annual and quarterly reports to unit holders, tax return and Schedule K-1 preparation and distribution, independent auditor fees, investor relations activities and registrar and transfer agent fees. We estimate that these incremental general and administrative expenses will approximate $3.5 million per year, excluding the costs associated with the costs of the initial implementation of our Sarbanes-Oxley Section 404 internal controls review and testing. Our future consolidated financial statements will reflect the impact of these expenses, which will affect the comparability of its post-offering results with its financial statements from periods prior to the completion of the initial public offering.

September 2010 UAN Vessel Rupture

On September 30, 2010, our nitrogen fertilizer plant experienced an interruption in operations due to a rupture of a high-pressure UAN vessel. All operations at the nitrogen fertilizer facility were immediately shut down. No one was injured in the incident. The nitrogen fertilizer facility had previously scheduled a major turnaround to begin on October 5, 2010. To minimize disruption and impact to the production schedule, the turnaround was accelerated. The turnaround was completed on October 29, 2010 with the gasification and ammonia units in operation. The fertilizer facility restarted production of UAN on November 16, 2010 and as of December 31, 2010 repairs to the facility as a result of the rupture were substantially complete. Besides adversely impacting UAN sales in the fourth quarter of 2010, the outage caused us to shift delivery of lower priced tons from the fourth quarter of 2010 to the first and second quarters of 2011.

Total gross costs recorded as of March 31, 2011 due to the incident were approximately $10.9 million for repairs and maintenance and other associated costs. We recorded an insurance receivable of $4.5 million under the property damage coverage of which approximately $4.3 million of insurance proceeds were received as of December 31, 2010 and the remaining $0.2 million was received in January 2011. Of the costs incurred, approximately $4.5 million were capitalized. We also recognized income of approximately $2.9 million from our business interruption insurance policy in the first quarter of 2011. We received approximately $2.3 million related to the business interruption claim and received the remaining $0.6 million in April 2011.

Distributions to Unitholders

Following the initial public offering, the Partnership intends to make cash distributions of all available cash it generates each quarter beginning with the quarter ending June 30, 2011, covering April 13, 2011, the closing of its initial public offering through June 30, 2011. Available cash for each quarter will be determined by the Partnership's board of directors of its general partner following the end of such quarter. We expect that available cash for each quarter will generally equal the Partnership's cash flow from operations for the quarter, less cash needed for maintenance, capital expenditures, debt service and other contractual obligations and reserves for future operating or capital needs that the board of directors of the Partnership's general partner deems necessary or appropriate. However, the board of directors of the general partner may modify the cash distribution policy at any time and the partnership agreement does not require the Partnership to make distributions at all.

Results of Operations

The following tables summarize the financial data and key operating statistics for CVR and our two operating segments for the three months ended March 31, 2011 and 2010. The summary financial data for our two operating segments does not include certain selling, general and administrative expenses and depreciation and amortization related to our corporate offices. The following data should be read in conjunction with our condensed consolidated financial statements and the notes thereto included elsewhere in this Form 10-Q. All information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," except for the balance sheet data as of December 31, 2010, is unaudited.

Consolidated Statement of Operations Data	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(unaudited) (in millions, except share data)	
Net sales	$ 1,167.3	$ 894.5
Cost of product sold(1)	936.8	802.9
Direct operating expenses(1)	68.3	60.6
Insurance recovery — business interruption	(2.9)	—
Selling, general and administrative expenses(1)	33.4	21.3
Net costs associated with flood	0.1	—
Depreciation and amortization(2)	22.0	21.3
Operating income (loss)	$ 109.6	$ (11.6)
Other income, net	0.5	0.4
Interest expense and other financing costs	(13.2)	(9.9)
Gain (loss) on derivatives, net	(22.1)	1.5
Loss on extinguishment of debt	(1.9)	(0.5)
Income (loss) before income tax expense (benefit)	$ 72.9	$ (20.1)
Income tax expense (benefit)	27.1	(7.7)
Net income (loss)(3)	$ 45.8	$ (12.4)
Basic earnings (loss) per share	$ 0.53	$ (0.14)
Diluted earnings (loss) per share	$ 0.52	$ (0.14)
Weighted-average common shares outstanding:		
Basic	86,413,781	86,329,237
Diluted	87,783,857	86,329,237

	As of March 31, 2011 (unaudited)	As of December 31, 2010
	(in millions)	
Balance Sheet Data		
Cash and cash equivalents	$ 165.9	$ 200.0
Working capital	402.2	333.6
Total assets	1,892.0	1,740.2
Total debt, including current portion	470.6	477.0
Total CVR stockholders' equity	743.2	689.6

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Cash Flow Data		
Net cash flow provided by (used in):		
Operating activities	$(16.0)	$ 43.4
Investing activities	(7.1)	(11.4)
Financing activities	(11.1)	(31.4)
Other Financial Data		
Capital expenditures for property, plant and equipment	$ 7.3	$ 11.4
Depreciation and amortization	22.0	21.3

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Depreciation and amortization is comprised of the following components as excluded from cost of product sold, direct operating expenses and selling, general and administrative expenses:

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Depreciation and amortization excluded from cost of product sold	$ 0.6	$ 0.8
Depreciation and amortization excluded from direct operating expenses	20.9	20.0
Depreciation and amortization excluded from selling, general and administrative expenses	0.5	0.5
Total depreciation and amortization	$ 22.0	$ 21.3

(3) The following are certain charges and costs incurred in each of the relevant periods that are meaningful to understanding our net income and in evaluating our performance:

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Loss on extinguishment of debt(a)	$ 1.9	$0.5
Letter of credit expense and interest rate swap not included in interest expense(b)	0.8	2.3
Share-based compensation expense(c)	19.1	7.3
Major scheduled turnaround expense(d)	3.1	—

(a) On February 22, 2011, CRLLC entered into a $250.0 million ABL credit facility, as described in further detail below. The ABL credit facility replaced the first priority credit facility which was terminated. As a result of the termination of the first priority credit facility we wrote-off a portion of our previously deferred financing costs of approximately $1.9 million. In January 2010, we made a voluntary unscheduled principal payment of $20.0 million on our tranche D term loans. In addition, we made a second voluntary unscheduled principal payment of $5.0 million in February 2010. In connection with these voluntary prepayments, we paid a 2.0% premium totaling $0.5 million to the lenders of our first priority credit facility.

(b) Consists of fees which are expensed to selling, general and administrative expenses in connection with letters of credit outstanding.

(c) Represents the impact of share-based compensation awards.

(d) Represents expenses associated with a major scheduled turnaround at the nitrogen fertilizer plant and our refinery.

Petroleum Business Results of Operations

The following tables below provide an overview of the petroleum business' results of operations, relevant market indicators and its key operating statistics:

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Petroleum Business Financial Results		
Net sales	$ 1,111.3	$ 856.7
Cost of product sold(1)	930.3	799.0
Direct operating expenses(1)(2)	45.3	38.4
Net costs associated with flood	0.1	—
Depreciation and amortization	16.9	16.1
Gross profit(3)	$ 118.7	$ 3.2
Plus direct operating expenses(1)	45.3	38.4
Plus net costs associated with flood	0.1	—
Plus depreciation and amortization	16.9	16.1
Refining margin(4)	181.0	57.7
Operating income (loss)	$ 105.7	$ (7.1)
Adjusted Petroleum EBITDA(5)	$ 91.7	$ (4.4)

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Key Operating Statistics		
Per crude oil throughput barrel:		
Refining margin(4)	$ 20.38	$ 6.10
Gross profit(3)	$ 13.36	$ 0.34
Direct operating expenses(1)(2)	$ 5.10	$ 4.06
Direct operating expenses per barrel sold(1)(6)	$ 4.88	$ 3.63
Barrels sold (barrels per day)(6)	103,200	117,556

	Three Months Ended March 31,			
	2011		2010	
		%		%
Refining Throughput and Production Data (bpd)				
Throughput:				
Sweet	79,924	75.7	84,867	75.0
Light/medium sour	599	0.6	7,527	6.6
Heavy sour	18,161	17.2	12,746	11.3
Total crude oil throughput	98,684	93.5	105,140	92.9
All other feedstocks and blendstocks	6,873	6.5	7,980	7.1
Total throughput	105,557	100.0	113,120	100.0
Production:				
Gasoline	49,610	46.9	59,036	51.6
Distillate	42,876	40.6	45,234	39.5
Other (excluding internally produced fuel)	13,200	12.5	10,184	8.9
Total refining production (excluding internally produced fuel)	105,686	100.0	114,454	100.0
Product price (dollars per gallon):				
Gasoline	$ 2.65		$ 2.04	
Distillate	$ 2.90		$ 2.05	

	Three Months Ended March 31,	
	2011	2010
Market Indicators (dollars per barrel)		
West Texas Intermediate (WTI) NYMEX	$94.60	$78.88
Crude Oil Differentials:		
WTI less WTS (light/medium sour)	4.10	1.89
WTI less WCS (heavy sour)	21.95	10.47
NYMEX Crack Spreads:		
Gasoline	18.03	9.72
Heating Oil	23.94	7.24
NYMEX 2-1-1 Crack Spread	20.99	8.48
PADD II Group 3 Basis:		
Gasoline	(2.05)	(2.73)
Ultra Low Sulfur Diesel	1.15	(0.36)
PADD II Group 3 Product Crack:		
Gasoline	15.98	6.99
Ultra Low Sulfur Diesel	25.10	6.88
PADD II Group 3 2-1-1	20.54	6.93

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Direct operating expense is presented on a per crude oil throughput basis. In order to derive the direct operating expenses per crude oil throughput barrel, we utilize the total direct operating expenses, which does not include depreciation or amortization expense, and divide by the applicable number of crude oil throughput barrels for the period.

(3) In order to derive the gross profit per crude oil throughput barrel, we utilize the total dollar figures for gross profit as derived above and divide by the applicable number of crude oil throughput barrels for the period.

(4) Refining margin per crude oil throughput barrel is a measurement calculated as the difference between net sales and cost of product sold (exclusive of depreciation and amortization). Refining margin is a non-GAAP measure that we believe is important to investors in evaluating our refinery's performance as a general indication of the amount above our cost of product sold that we are able to sell refined products. Each of the components used in this calculation (net sales and cost of product sold (exclusive of depreciation and amortization)) are taken directly from our Condensed Statement of Operations. Our calculation of refining margin may differ from similar calculations of other companies in our industry, thereby limiting its usefulness as a comparative measure. In order to derive the refining margin per crude oil throughput barrel, we utilize the total dollar figures for refining margin as derived above and divide by the applicable number of crude oil throughput barrels for the period. We believe that refining margin and refining margin per crude oil throughput barrel is important to enable investors to better understand and evaluate our ongoing operating results and allow for greater transparency in the review of our overall financial, operational and economic performance.

(5) Adjusted Petroleum EBITDA represents operating income adjusted for FIFO impacts (favorable) unfavorable, share-based compensation, major scheduled turnaround expenses, realized gain (loss) on derivatives, net, depreciation and amortization and other income (expense). Adjusted EBITDA by operating segment results from operating income by segment adjusted for items that we believe are needed in order to evaluate results in a more comparative analysis from period to period. Adjusted EBITDA by operating segment is not a recognized term under GAAP and should not be substituted for operating income as a measure of performance but should be utilized as a supplemental measure of performance in evaluating our business. Management believes that adjusted EBITDA by operating segment provides relevant and useful information that enables investors to better understand and evaluate our ongoing operating results and allows for greater transparency in the reviewing of our overall financial, operational and economic performance. Below is a reconciliation of operating income to adjusted EBITDA for the petroleum segment for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31,	
	2011	2010
	(unaudited) (in millions)	
Petroleum:		
Petroleum operating income	$ 105.7	$ (7.1)
FIFO impacts (favorable), unfavorable(a)	(21.9)	(15.7)
Share-based compensation	6.6	2.1
Major scheduled turnaround expenses(b)	3.1	—
Realized gain (loss) on derivatives, net	(18.8)	0.1
Depreciation and amortization	16.9	16.1
Other income (expense)	0.1	0.1
Adjusted Petroleum EBITDA	$ 91.7	$ (4.4)

(a) FIFO is the petroleum business' basis for determining inventory value on a GAAP basis. Changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods thereby resulting in favorable FIFO impacts when crude oil prices increase and unfavorable FIFO impacts when crude oil prices decrease. The FIFO impact is calculated based upon inventory values at the beginning of the accounting period and at the end of the accounting period. In order to derive the FIFO impact per crude oil throughput barrel, we utilize the total dollar figures for the FIFO impact and divide by the number of crude oil throughput barrels for the period.

(b) Represents expense associated with a major scheduled turnaround at our refinery.

(6) Direct operating expense is presented on a per barrel sold basis. Barrels sold are derived from the barrels produced and shipped from the refinery. We utilize the total direct operating expenses, which does not include depreciation or amortization expense, and divide by the applicable number of barrels sold for the period to derive the metric.

Nitrogen Fertilizer Business Results of Operations

The tables below provide an overview of the nitrogen fertilizer business' results of operations, relevant market indicators and key operating statistics:

Nitrogen Fertilizer Business Financial Results	Three Months Ended March 31, 2011	2010
	(unaudited) (in millions)	
Net sales	$57.4	$38.3
Cost of product sold(1)	7.5	5.0
Direct operating expenses(1)	23.0	22.2
Insurance recovery — business interruption	(2.9)	—
Net costs associated with flood	—	—
Depreciation and amortization	4.6	4.7
Operating income (loss)	$16.8	$ 3.0
Adjusted Nitrogen Fertilizer EBITDA(2)	$25.9	$ 8.8

Key Operating Statistics	Three Months Ended March 31, 2011	2010
Production (thousand tons):		
Ammonia (gross produced)(3)	105.3	105.1
Ammonia (net available for sale)(3)	35.2	38.2
UAN	170.6	163.8
Pet coke consumed (thousand tons)	124.1	117.7
Pet coke (cost per ton)	$ 15	$ 14
Sales (thousand tons)(4):		
Ammonia	27.3	31.2
UAN	179.3	155.8
Total sales	206.6	$ 187.0
Product pricing (plant gate) (dollars per ton)(4):		
Ammonia	$ 564	$ 282
UAN	$ 207	$ 167
On-stream factor(5):		
Gasification	100.0%	96.0%
Ammonia	96.7%	94.2%
UAN	93.2%	90.6%
Reconciliation to net sales (dollars in millions):		
Freight in revenue	$ 4.8	$ 3.5
Hydrogen revenue	—	—
Sales net plant gate	52.6	34.8
Total net sales	$ 57.4	$ 38.3

Market Indicators	Three Months Ended March 31, 2011	2010
Natural gas NYMEX (dollars per MMBtu)	$4.20	$4.99
Ammonia — Southern Plains (dollars per ton)	$ 605	$ 330
UAN — Mid Cornbelt (dollars per ton)	$ 349	$ 245

(1) Amounts are shown exclusive of depreciation and amortization.

(2) Adjusted Nitrogen Fertilizer EBITDA represents operating income adjusted for share-based compensation, major scheduled turnaround expenses, depreciation and amortization and other income (expense). Adjusted EBITDA by operating segment results from operating income by segment adjusted for items that we believe are needed in order to evaluate results in a more comparative analysis from period to period. Adjusted EBITDA by operating segment is not a recognized term under GAAP and should not be substituted for operating income as a measure of performance but should be utilized as a supplemental measure of performance in evaluating our business. Management believes that adjusted EBITDA by operating segment provides relevant and useful information that enables investors to better understand and evaluate our ongoing operating results and allows for greater transparency in the reviewing of our overall financial, operational and economic performance. Below is a reconciliation of operating income to adjusted EBITDA for the nitrogen fertilizer segment for the three months ended March 31, 2011 and 2010:

	Three Months Ended March 31, 2011	2010
	(unaudited)	
Nitrogen Fertilizer:		
Nitrogen fertilizer operating income	$ 16.8	$ 3.0
Share-based compensation	4.6	1.1
Major scheduled turnaround expenses	—	—
Depreciation and amortization	4.6	4.7
Other income (expense)	(0.1)	—
Adjusted Nitrogen Fertilizer EBITDA	$ 25.9	$ 8.8

(3) The gross tons produced for ammonia represent the total ammonia produced, including ammonia produced that was upgraded into UAN. The net tons available for sale represent the ammonia available for sale that was not upgraded into UAN.

(4) Plant gate sales per ton represent net sales less freight and hydrogen revenue divided by product sales volume in tons in the reporting period. Plant gate pricing per ton is shown in order to provide a pricing measure that is comparable across the fertilizer industry.

(5) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period.

Three Months Ended March 31, 2011 Compared to the Three Months Ended March 31, 2010

Consolidated Results of Operations

Net Sales. Consolidated net sales were $1,167.3 million for the three months ended March 31, 2011 compared to $894.5 million for the three months ended March 31, 2010. The increase of $272.8 million for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was due to an increase in petroleum net sales of approximately $254.6 million that resulted primarily from higher product prices. The reduction in petroleum sales volumes was the result of reduced crude oil throughput in January 2011, due to the equipment malfunction and small fire in connection with the FCCU that occurred on December 28, 2010. The average sales price for gasoline was $2.65 per gallon and distillate was $2.90 per gallon for the three months ended March 31, 2011. Gasoline and distillate prices per gallon increased approximately 29.6% and 41.4%, respectively, for the three months ended March 31, 2011 compared to the three months ended March 31, 2010. The increase in petroleum sales were coupled with an increase in nitrogen fertilizer net sales of $19.1 million for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. The increase in nitrogen net sales was primarily due to higher average plant gate prices coupled with higher overall sales volume.

Cost of Product Sold (Exclusive of Depreciation and Amortization). Consolidated cost of product sold (exclusive of depreciation and amortization) was $936.8 million for the three months ended March 31, 2011 as compared to $802.9 million for the three months ended March 31, 2010. The increase of $133.9 million for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 primarily resulted from an increase in crude oil prices. On a quarter-over-quarter basis, our consumed crude oil costs increased approximately $77.4 million. The increase of crude oil costs is primarily the result of increased prices offset by a decrease in crude oil throughput on a quarter over quarter basis. Consumed crude oil cost per barrel increased approximately 18% from an average price of $75.91 per barrel for the three months ended March 31, 2010 to an average price of $89.60 per barrel for the three months ended March 31, 2011. Increases in feedstocks other than crude oil resulted in an additional cost of product sold of approximately $52.8 million. Effective January 1, 2011, our refinery was subject to the provisions of the Renewable Fuel Standards, which mandates the use of renewable fuels. To meet this mandate, the refinery must either blend renewable fuels into gasoline and diesel fuel or purchase renewable energy credits, known as Renewable Identification Numbers (RINs) in lieu of blending. As a result of this mandate, the petroleum business incurred an additional $3.5 million of expense for the three months ended March 31, 2011 which is reflected in our cost of product sold (exclusive of depreciation and amortization). Additionally, the increase in cost of product sold (exclusive of depreciation and amortization) by the petroleum business was coupled with a slight increase of $2.5 million associated with the nitrogen fertilizer's cost of product sold (exclusive of depreciation and amortization).

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Consolidated direct operating expenses (exclusive of depreciation and amortization) were $68.3 million for the three months ended March 31, 2011 as compared to $60.6 million for the three months ended March 31, 2010. This increase of $7.7 million for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was due to an increase in petroleum direct operating expenses of $6.9 million coupled with an increase in nitrogen fertilizer direct operating expenses of approximately $0.8 million. The increase was primarily attributable to increases in repairs and maintenance ($3.7 million), turnaround ($3.0 million), other direct operating expenses ($0.7 million) and property taxes ($0.5 million). The increase in repairs and maintenance was primarily the result of repairs needed for the FCC unit and cooling tower. These expenses for the three months ended March 31, 2011 totaled approximately $1.9 million net of the insurance receivable recorded. Additionally, the petroleum business incurred turnaround costs related to work in advance of the major scheduled turnaround scheduled to commence in the fourth quarter of 2011 and to be completed in the first quarter of 2012. A portion of the turnaround work completed was done during downtime associated with the FCC unit. These direct operating expense increases were partially offset by decreases in expenses associated with energy and utilities ($2.1 million), refractory brick amortization ($0.4 million) and catalyst ($0.2 million). The decrease in energy and utilities was primarily the result of lower consumption and reduced prices of natural gas used by the petroleum business.

Insurance Recovery — Business Interruption. During the three months ended March 31, 2011, we recorded business interruption recoveries of $2.9 million related to the September 30, 2010 UAN vessel rupture. As of March 31, 2011, $2.3 million of the proceeds was received and the remaining $0.6 million was received in April 2011.

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Consolidated selling, general and administrative expenses (exclusive of depreciation and amortization) were $33.4 million for the three months ended March 31, 2011 as compared to $21.3 million for the three months ended March 31, 2010. This variance was primarily the result of an increase in expenses associated with share-based compensation ($11.1 million), payroll ($0.8 million), bank charges ($0.3 million), and asset write-offs ($0.3 million). The increase in our share-based compensation expense was the result of an increase in our stock price coupled with additional stock based compensation awards granted in the fourth quarter of 2010.

These increases were partially offset by a decrease in outside services ($0.7 million) and insurance ($0.3 million).

Operating Income (loss). Consolidated operating income was $109.6 million for the three months ended March 31, 2011 as compared to an operating loss of $11.6 million for the three months ended March 31, 2010. For the three months ended March 31, 2011 as compared to the three months ended March 31, 2010, petroleum operating income increased $112.8 million coupled with an increase in nitrogen fertilizer operating income of $13.8 million. The increase in operating income for both the petroleum and nitrogen fertilizer business was the result of higher product margins. The refining margin per barrel of crude oil throughput increased from $6.10 for the three months ended March 31, 2010 compared to $20.38 per barrel for the three months ended March 31, 2011. The increase due to favorable product margins was partially offset by increases in direct operating expenses (exclusive of depreciation and amortization) and selling, general and administrative expenses (exclusive of depreciation and amortization).

Interest Expense. Consolidated interest expense for the three months ended March 31, 2011 was $13.2 million as compared to interest expense of $9.9 million for the three months ended March 31, 2010. This $3.3 million increase for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 resulted from the issuance of the Notes on April 6, 2010 in an aggregate principal amount of $500.0 million. The proceeds from the Notes were utilized primarily to pay off our existing tranche D term debt. The $275.0 million in First Lien Notes accrue interest at 9.0% and the $225.0 million in Second Lien Notes accrue interest at 10.875%. In December 2010, we made a $27.5 million payment on the First Lien Notes, thus reducing the principal balance outstanding. The weighted average interest rate of the Notes for the three months ended March 31, 2011 was approximately 9.89%. Interest expense associated with the Notes totaled approximately $11.7 million for the three months ended March 31, 2011. This compares to interest expense associated with our first priority credit facility term loan that totaled approximately $10.1 million for the three months ended March 31, 2010. This interest expense was partially offset by capitalized interest of approximately $0.1 million for the three months ended March 31, 2011 and $0.9 million for the three months ended March 31, 2010. Also impacting interest expense for the three months ended March 31, 2011 is the increased amortization of deferred financing costs, and amortization of the original issue discount associated with the Notes. Amortization of deferred financing costs and original issue discount for the three months ended March 31, 2011 totaled $1.0 million compared to the amortization of deferred financing costs of $0.5 million for the three months ended March 31, 2010.

Gain (loss) on Derivatives, net. For the three months ended March 31, 2011, we recorded a $22.1 million loss on derivatives, net compared to a $1.5 million gain on derivatives, net for the three months ended March 31, 2010. The loss on derivatives, net for the three months ended March 31, 2011 as compared to the gain on derivatives, net for the three months ended March 31, 2010 was primarily attributable to our other derivative agreements whereby through an over-the-counter market we hedge a portion of our crude oil and finished goods inventory positions. These other derivative agreements provided a net realized and unrealized loss of approximately $22.1 million for the three months ended March 31, 2011 compared to a net realized and unrealized gain of approximately $1.5 million for the three months ended March 31, 2010. The quarter-over-quarter impacts of the interest rate swap that expired June 30, 2010 were nominal. Our other derivative agreements were primarily entered into for the purpose of mitigating our risk due to the purchase of Canadian crude oil purchased outside our intermediation agreement. This Canadian crude oil was purchased at a discount to WTI that will be received and processed primarily in the second quarter of 2011 whereby the discount received will be recognized through cost of product sold (exclusive of depreciation and amortization). As a result of the new agreement with Vitol effective March 30, 2011, such crude oil purchases will no longer be conducted outside the framework of the Vitol Agreement.

Income Tax Expense (benefit). Income tax expense for the three months ended March 31, 2011 was $27.1 million, or 37.2% of income before income tax expense, as compared to income tax benefit of $7.7 million, or 38.4% of loss before income tax benefit, for the three months ended March 31, 2010.

Net Income (loss). For the three months ended March 31, 2011, net income totaled $45.8 million as compared to a net loss of $12.4 million for the three months ended March 31, 2010. The increase of

$58.2 million for the first quarter of 2011 compared to the first quarter of 2010 was primarily due to an increase in refining margins, nitrogen fertilizer margins and business interruption insurance recoveries. These impacts were partially offset by an increase in direct operating expenses (exclusive of depreciation and amortization), selling, general and administrative expenses (exclusive of depreciation and amortization), interest expense and a loss on derivatives, net in the first quarter of 2011 compared to a gain on derivatives, net for the first quarter of 2010.

Petroleum Business Results of Operations for the Three Months Ended March 31, 2011

Net Sales. Petroleum net sales were $1,111.3 million for the three months ended March 31, 2011 compared to $856.7 million for the three months ended March 31, 2010. The increase of $254.6 million during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was the result of higher product prices partially offset by lower overall sales volumes. The reduction in petroleum sales volumes was the result of reduced crude oil throughput in January 2011, due to the equipment malfunction and small fire in connection with the FCCU that occurred on December 28, 2010. Our average sales price per gallon for the three months ended March 31, 2011 for gasoline of $2.65 and distillate of $2.90 increased by approximately 29.6% and 41.4%, respectively, as compared to the three months ended March 31, 2010.

	Three Months Ended March 31, 2011			Three Months Ended March 31, 2010			Total Variance		Price	Volume
	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	$ per barrel	Sales $(2)	Volume(1)	Sales $(2)	Variance	Variance
									(in millions)	
Gasoline	5.1	$111.10	$571.9	5.6	$85.74	$482.5	(0.5)	$ 89.4	$142.8	$(53.4)
Distillate	4.0	$121.68	$483.1	4.1	$86.07	$351.4	(0.1)	$131.7	$145.4	$(13.7)

(1) Barrels in millions

(2) Sales dollars in millions

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold (exclusive of depreciation and amortization) includes cost of crude oil, other feedstocks and blendstocks, purchased products for resale, transportation and distribution costs. Petroleum cost of product sold (exclusive of depreciation and amortization) was $930.3 million for the three months ended March 31, 2011 compared to $799.0 million for the three months ended March 31, 2010. The increase of $131.3 million during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was primarily the result of a significant increase in crude oil prices. Our average cost per barrel of crude oil consumed for the three months ended March 31, 2011 was $89.60 compared to $75.91 for the comparable period of 2010, an increase of approximately 18.0%. Sales volume of refined fuels decreased by approximately 4.9% for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010. The impact of FIFO accounting also impacted cost of product sold during the comparable periods. Under our FIFO accounting method, changes in crude oil prices can cause fluctuations in the inventory valuation of our crude oil, work in process and finished goods, thereby resulting in a favorable FIFO inventory impact when crude oil prices increase and an unfavorable FIFO inventory impact when crude oil prices decrease. For the three months ended March 31, 2011, we had a favorable FIFO inventory impact of $21.9 million compared to a favorable FIFO inventory impact of $15.7 million for the comparable period of 2010.

Refining margin per barrel of crude oil throughput increased from $6.10 for the three months ended March 31, 2010 to $20.38 for the three months ended March 31, 2011. Refining margin adjusted for FIFO impact was $17.91 per crude oil throughput barrel for the three months ended March 31, 2011, as compared to $4.44 per crude oil throughput barrel for the three months ended March 31, 2010. Gross profit per barrel increased to $13.36 for the three months ended March 31, 2011 as compared to gross profit per barrel of $0.34 in the equivalent period in 2010. The increase of our refining margin per barrel is due to an increase in the average sales prices of our produced gasoline and distillates, partially offset by an increase in our cost of consumed crude oil. Our average sales price of gasoline increased approximately 29.6% and our average sales price for distillates increased approximately 41.4% for the three months ended March 31, 2011 over the comparable period of 2010. Consumed crude oil costs rose due to a 19.9% increase in WTI for the three months ended March 31, 2011 over the three months ended March 31, 2010.

Effective January 1, 2011, our refinery was subject to the provisions of the Renewable Fuel Standards, which mandates the use of renewable fuels. To meet this mandate we must either blend renewable fuels into gasoline and diesel fuel or purchase renewable energy credits, known as Renewable Identification Numbers (RINs) in lieu of blending. As a result of this mandate we incurred an additional $3.5 million of expense for the three months ended March 31, 2011 which is reflected in our cost of product sold (exclusive of depreciation and amortization).

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses (exclusive of depreciation and amortization) for our petroleum operations include costs associated with the actual operations of our refinery, such as energy and utility costs, property taxes, catalyst and chemical costs, repairs and maintenance, labor and environmental compliance costs. Petroleum direct operating expenses (exclusive of depreciation and amortization) were $45.3 million for the three months ended March 31, 2011 compared to direct operating expenses of $38.4 million for the three months ended March 31, 2010. The increase of $6.9 million for the three months ended March 31, 2011 compared to the three months ended March 31, 2010 was the result of increases in expenses primarily associated with repairs and maintenance ($2.5 million), turnaround ($3.0 million), labor ($2.0 million), production chemicals ($0.5 million), operating supplies ($0.5 million) and rents ($0.4 million). The increase in repairs and maintenance was primarily the result of repairs needed for the FCC unit and cooling tower. Repair costs for the FCC unit and cooling tower totaled approximately $1.9 million for the three months ended March 31, 2011. These costs are net of the insurance receivable recorded through March 31, 2011. Increases in direct operating expenses were partially offset by decreases in expenses primarily associated with utilities and energy costs ($1.8 million) and other direct operating expenses ($0.2 million). On a per barrel of crude oil throughput basis, direct operating expenses per barrel of crude oil throughput for the three months ended March 31, 2011 increased to $5.10 per barrel as compared to $4.06 per barrel for the three months ended March 31, 2010.

Operating Income (loss). Petroleum operating income was $105.7 million for the three months ended March 31, 2011 as compared to operating loss of $(7.1) million for the three months ended March 31, 2010. This increase of $112.8 million from the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was primarily the result of an increase in the refining margin ($123.3 million). The increase in refining margin was partially offset by an increase in direct operating expenses ($6.9 million), an increase in selling, general and administrative expenses ($2.7 million), an increase in flood related costs ($0.1 million) and an increase in depreciation and amortization ($0.8 million). The increase in selling, general and administrative cost is primarily attributable to an increase in share-based compensation expense.

Nitrogen Fertilizer Business Results of Operations for the Three Months Ended March 31, 2011

Net Sales. Nitrogen fertilizer net sales were $57.4 million for the three months ended March 31, 2011 compared to $38.3 million for the three months ended March 31, 2010. For the three months ended March 31, 2011, ammonia and UAN made up $15.9 million and $41.5 million of our net sales, respectively. This compared to ammonia and UAN net sales of $9.5 million and $28.8 million of our net sales for the three months ended March 31, 2010. The increase of $19.1 million was the result of both higher average plant gate prices for both ammonia and UAN and a 15% increase in UAN sales unit volumes offset by lower ammonia product sales volume. The following table demonstrates the impact of sales volumes and pricing for ammonia and UAN for the quarters ending March 31, 2011 and March 31, 2010:

	Three Months Ended March 31, 2011			Three Months Ended March 31, 2010			Total Variance		Price	Volume
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	Variance	Variance
									(in millions)	
Ammonia	27,322	$581	$15.9	31,216	$305	$ 9.5	(3,894)	$ 6.4	$8.6	$(2.2)
UAN	179,314	$231	$41.5	155,758	$185	$28.8	23,556	$12.7	$7.3	$ 5.4

(1) Sales volume in tons

(2) Includes freight charges

(3) Sales dollars in millions

The decrease in ammonia sales volume for the first quarter of 2011 compared to the first quarter of 2010 was primarily attributable to low inventory levels coming into the quarter compared to the same period last year. UAN sales volume increased due to strong demand backed by increased production levels in the first three months of 2011 over the first quarter of 2010. On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units continue to demonstrate their reliability as all increased over the first quarter of 2010 with the units reporting 100.0%, 96.7% and 93.2%, respectively, on-stream for the three months ended March 31, 2011.

Plant gate prices are prices FOB the delivery point less any freight cost we absorb to deliver the product. We believe plant gate price is meaningful because we sell products both FOB our plant gate (sold plant) and FOB the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month to month or three months to three months. The plant gate price provides a measure that is consistently comparable period to period. Average plant gate prices for the three months ended March 31, 2011 were higher for both ammonia and UAN over the comparable period of 2010, increasing 100% and 24% respectively. The price increases reflect strong farm belt market conditions. While UAN pricing in the first quarter of 2011 was higher than the comparable period in 2010, it nevertheless was adversely impacted by the outage of a high-pressure UAN vessel that occurred in September 2010. This caused us to shift delivery of lower priced tons from the fourth quarter of 2010 to the first and second quarters of 2011.

The demand for nitrogen fertilizer is affected by the aggregate crop planting decisions and nitrogen fertilizer application rate decisions of individual farmers. Individual farmers make planting decisions based largely on the prospective profitability of a harvest, while the specific varieties and amounts of nitrogen fertilizer they apply depend on factors like crop prices, their current liquidity, soil conditions, weather patterns and the types of crops planted. See "— Major Influences on Results of Operations — Nitrogen Fertilizer Business."

Cost of Product Sold (Exclusive of Depreciation and Amortization). Cost of product sold (exclusive of depreciation and amortization) is primarily comprised of pet coke expense and freight and distribution expenses. Cost of product sold (excluding depreciation and amortization) for the three months ended March 31, 2011 was $7.5 million compared to $5.0 million for the three months ended March 31, 2010. Besides increased costs associated with higher UAN sales volumes, a $1.0 million increase in freight expense was the principal contributor along with increases in pet coke costs ($0.2 million) and hydrogen costs ($0.2 million).

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the three months ended March 31, 2011 were $23.0 million as compared to $22.2 million for the three months ended March 31, 2010. The $0.8 million increase was primarily the result of increases in expenses for repairs and maintenance ($1.2 million), labor ($0.4 million) and property taxes ($0.5 million). These increases were partially offset by decreases in expenses associated with refractory brick amortization ($0.4 million) utilities ($0.3 million), outside services ($0.3 million) and production chemicals and catalysts ($0.3 million).

Insurance Recovery — Business Interruption. During the three months ended March 31, 2011, we recorded business interruption recoveries of $2.9 million related to the September 30, 2010 UAN vessel rupture. As of March 31, 2011, $2.3 million of the proceeds were received and the remaining $0.6 million was received in April 2011.

Operating Income. Nitrogen fertilizer operating income was $16.8 million for the three months ended March 31, 2011 as compared to operating income of $3.0 million for the three months ended March 31, 2010. This increase of $13.8 million was primarily the result of the increase in nitrogen fertilizer margin ($16.6 million), coupled with business interruption recoveries recorded of $2.9 million. These favorable increases were partially offset by an increase in selling, general and administrative expenses (exclusive of depreciation and amortization) ($4.8 million) and direct operating expenses (exclusive of depreciation and amortization) ($0.8 million).

Liquidity and Capital Resources

Our primary sources of liquidity currently consist of cash generated from our operating activities, existing cash and cash equivalent balances, our working capital, our ABL credit facility and CRNF's credit facility. Our ability to generate sufficient cash flows from our operating activities will continue to be primarily dependent on producing or purchasing, and selling, sufficient quantities of refined petroleum and nitrogen fertilizer products at margins sufficient to cover fixed and variable expenses.

We believe that our cash flows from operations and existing cash and cash equivalents and improvements in our working capital, together with borrowings under our existing revolving facilities as necessary, will be sufficient to satisfy the anticipated cash requirements associated with our existing operations for at least the next twelve months. However, our future capital expenditures and other cash requirements could be higher than we currently expect as a result of various factors. Additionally, our ability to generate sufficient cash from our operating activities depends on our future performance, which is subject to general economic, political, financial, competitive, and other factors beyond our control.

Cash Balance and Other Liquidity

As of March 31, 2011, we had cash and cash equivalents of $165.9 million. As of March 31, 2011, we had no amounts outstanding under our ABL credit facility and aggregate availability of $208.4 million under our ABL credit facility. Our availability under the ABL credit facility is reduced by outstanding letters of credit. As of March 31, 2011, we had $41.6 million in letters of credit outstanding as provided by our ABL credit facility. As of May 6, 2011, we had $218.4 million available under the ABL credit facility and CRNF had $25.0 million of availability under the credit facility. As of May 6, 2011, the Partnership had cash and cash equivalents of approximately $227.2 million and we had cash and cash equivalents (exclusive of the Partnership) of approximately $453.9 million.

In connection with the completion of the Offering, the Partnership intends to make cash distributions within 45 days after the end of each quarter, beginning with the quarter ending June 30, 2011. The distributions will be made to all common unitholders. CRLLC currently holds approximately 69.8% of all common units outstanding. The amount of the distribution will be determined pursuant to the general partner's calculation of available cash for the applicable quarter. The general partner, as a non-economic interest holder, is not entitled to receive cash distributions. As a result of the general partner's distribution policy, funds held by the Partnership will not be available for CRLLC's use, and CRLLC as a unitholder will receive its applicable percentage of the distribution of funds within 45 days following each quarter. The Partnership does not have a legal obligation to pay distributions and there is no guarantee that it will pay any distributions on the units in any quarter.

Senior Secured Notes

On April 6, 2010, CRLLC and its newly formed wholly-owned subsidiary, Coffeyville Finance Inc. (together the "Issuers"), completed the private offering of $275.0 million aggregate principal amount of 9.0% First Lien Senior Secured Notes due April 1, 2015 (the "First Lien Notes") and $225.0 million aggregate principal amount of 10.875% Second Lien Senior Secured Notes due April 1, 2017 (the "Second Lien Notes" and together with the First Lien Notes, the "Notes"). The First Lien Notes were issued at 99.511% of their principal amount and the Second Lien Notes were issued at 98.811% of their principal amount. On December 30, 2010, we made a voluntary unscheduled principal payment of $27.5 million on our First Lien Notes. As of March 31, 2011, the Notes had an aggregate principal balance of $472.5 million and a net carrying value of $469.1 million.

The First Lien Notes were issued pursuant to an indenture (the "First Lien Notes Indenture"), dated April 6, 2010, among the Issuers, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee (the "First Lien Notes Trustee"). The Second Lien Notes were issued pursuant to an indenture (the "Second Lien Notes Indenture" and together with the First Lien Notes Indenture, the "Indentures"), dated April 6, 2010, among the Issuers, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee (the "Second Lien Notes Trustee" and in reference to the Indentures, the "Trustee"). The Notes are fully and unconditionally guaranteed by each of the Company's subsidiaries that also guarantee the ABL credit facility (the "Guarantors" and, together with the Issuers, the "Credit Parties").

The First Lien Notes bear interest at a rate of 9.0% per annum and mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes bear interest at a rate of 10.875% per annum and mature on April 1, 2017, unless earlier redeemed or repurchased by the Issuers. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year to holders of record at the close of business on March 15 and September 15, as the case may be, immediately preceding each such interest payment date.

The Issuers have the right to redeem the First Lien Notes at the redemption prices set forth below:

- On or after April 1, 2012, some or all of the First Lien Notes may be redeemed at a redemption price of (i) 106.750% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2012; (ii) 104.500% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2013; and (iii) 100% of the principal amount, if redeemed on or after April 1, 2014, in each case, plus any accrued and unpaid interest;
- Prior to April 1, 2012, up to 35% of the First Lien Notes may be redeemed with the proceeds from certain equity offerings at a redemption price of 109.000% of the principal amount thereof, plus any accrued and unpaid interest;
- Prior to April 1, 2012, some or all of the First Lien Notes may be redeemed at a price equal to 100% of the principal amount thereof, plus a make-whole premium and any accrued and unpaid interest; and
- Prior to April 1, 2012, but not more than once in any twelve-month period, up to 10% of the First Lien Notes may be redeemed at a price equal to 103.000% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The Issuers have the right to redeem the Second Lien Notes at the redemption prices set forth below:

- On or after April 1, 2013, some or all of the Second Lien Notes may be redeemed at a redemption price of (i) 108.156% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2013; (ii) 105.438% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2014; (iii) 102.719% of the principal amount thereof, if redeemed during the twelve-month period beginning on April 1, 2015; and (iv) 100% of the principal amount if redeemed on or after April 1, 2016, in each case, plus any accrued and unpaid interest;
- Prior to April 1, 2013, up to 35% of the Second Lien Notes may be redeemed with the proceeds from certain equity offerings at a redemption price of 110.875% of the principal amount thereof, plus any accrued and unpaid interest; and
- Prior to April 1, 2013, some or all of the Second Lien Notes may be redeemed at a price equal to 100% of the principal amount thereof, plus a make-whole premium and any accrued and unpaid interest.

In the event of a "change of control" as defined in the Indentures, the Issuers are required to offer to buy back all of the Notes at 101% of their principal amount. A change of control is generally defined as (1) the direct or indirect sale or transfer (other than by a merger) of "all or substantially all of the assets of the Company" to any person other than permitted holders, which are generally GS, Kelso and certain members of management, (2) liquidation or dissolution of CRLLC, (3) any person, other than a permitted holder, directly or indirectly acquiring 50% of the voting stock of CRLLC or (4) the first day when a majority of the directors of CRLLC or CVR Energy are not Continuing Directors (as defined in the Indentures). Continuing Directors are generally our existing directors, directors approved by the then-Continuing Directors or directors nominated or elected by GS or Kelso.

The definition of "change of control" specifically excludes a transaction where CVR Energy becomes a subsidiary of another company, so long as (1) CVR Energy's shareholders own a majority of the surviving parent or (2) no one person owns a majority of the common stock of the surviving parent following the merger.

The Indentures also allowed the Company to sell, spin-off or complete an initial public offering of the Partnership, as long as the Company offers to buy back a percentage of the Notes as described in the Indentures. In April 2011, the Partnership completed an initial public offering of common units. This offering triggered a Fertilizer Business Event (as defined in the Indentures). As a result, CRLLC and Coffeyville Finance Inc. were required to offer to purchase a portion of the Notes from holders at a purchase price equal to 103.0% of the principal amount plus accrued and unpaid interest. A Fertilizer Business Event Offer was made on April 14, 2011 to purchase up to $100.0 million of the First Lien Notes and the Second Lien Notes, as required in the Indentures. Holders of the Notes have until May 16, 2011 to properly tender Notes they wish to have repurchased.

The Indentures impose covenants that restrict the ability of the Credit Parties to (i) issue debt, (ii) incur or otherwise cause liens to exist on any of their property or assets, (iii) declare or pay dividends, repurchase equity, or make payments on subordinated or unsecured debt, (iv) make certain investments, (v) sell certain assets, (vi) merge, consolidate with or into another entity, or sell all or substantially all of their assets, and (vii) enter into certain transactions with affiliates. Most of the foregoing covenants would cease to apply at such time that the Notes are rated investment grade by both S&P and Moody's. However, such covenants would be reinstituted if the Notes subsequently lost their investment grade rating. In addition, the Indentures contain customary events of default, the occurrence of which would result in, or permit the Trustee or holders of at least 25% of the First Lien Notes or Second Lien Notes to cause the acceleration of the applicable Notes, in addition to the pursuit of other available remedies. We were in compliance with the covenants as of March 31, 2011.

The obligations of the Credit Parties under the Notes and the guarantees are secured by liens on substantially all of the Credit Parties' assets. The liens granted in connection with the First Lien Notes are first-priority liens and rank pari passu with the liens granted to the lenders under the ABL credit facility and certain hedge counterparties. The liens granted in connection with the Second Lien Notes are second-priority liens and rank junior to the aforementioned first-priority liens. In connection with the closing of the Offering, the Partnership and CRNF were released from their guarantees of the Notes.

ABL Credit Facility

CRLLC entered into a $250.0 million ABL credit facility on February 22, 2011, that provides for borrowings, letter of credit issuances and a feature that permits an increase of borrowings up to $500.0 million (in the aggregate) subject to additional lender commitments. The ABL credit facility is scheduled to mature in August 2015 and will be used to finance ongoing working capital, capital expenditures, letter of credit issuances and general needs of the Company and includes among other things, a letter of credit sublimit equal to 90% of the total commitment.

Borrowings under the facility bear interest based on a pricing grid determined by the previous quarter's excess availability. The pricing for borrowings under the ABL credit facility can range from LIBOR plus a margin of 2.75% to LIBOR plus 3.0% or the prime rate plus 1.75% to the prime rate plus 2.0% for base rate loans. Availability under the ABL credit facility is determined by a borrowing base formula supported primarily by cash and cash equivalents, certain accounts receivable and inventory.

Under its terms, the lenders under the ABL credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in the ABL Priority Collateral (as defined in the ABL Intercreditor Agreement) and rank pari passu with liens granted in connection with the First Lien Notes and a second priority lien (subject to certain customary exceptions) and security interest in the Note Priority Collateral (as defined in the ABL Intercreditor Agreement). In connection with the Offering, the Partnership and CRNF were released from their guarantees of the ABL credit facility.

The ABL credit facility also contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness, creation of liens on assets, the ability to dispose assets, make restricted payments, investments or acquisitions, enter into sale-lease back transactions or enter into affiliate transactions. The facility also contains a fixed charge coverage ratio financial covenant that is triggered when borrowing base excess availability is less than certain thresholds, as defined under the facility.

CRNF Credit Facility

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a new credit facility (the "credit facility") with a group of lenders including Goldman Sachs Lending Partners LLC, as administrative and collateral agent. The credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million with an uncommitted incremental facility of up to $50.0 million. There is no scheduled amortization and the credit facility matures in April 2016. The Partnership, upon the closing of the credit facility, made a special distribution of approximately $87.2 million to CRLLC, in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Offering. The Credit Facility will be used to finance on-going working capital, capital expenditures, letter of credit issuances and general needs of CRNF.

Borrowings under the facility bear interest based on a pricing grid determined by the trailing four quarter leverage ratio. The initial pricing for borrowings under the facility will be the Eurodollar rate plus a margin of 3.75% or the prime rate plus 2.75% for base rate loans. Under its terms, the lenders under the credit facility were granted a perfected, first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CRNF and the Partnership.

The credit facility requires the Partnership to maintain (i) a minimum interest coverage ratio (ratio of Consolidated Adjusted EBITDA to interest) as of any fiscal quarter of 3.0 to 1.0 and (ii) a maximum leverage ratio (ratio of debt to Consolidated Adjusted EBITDA) of (a) as of any fiscal quarter ending after the closing date and prior to December 31, 2011, 3.50 to 1.0, and (b) as of any fiscal quarter ending on or after December 31, 2011, 3.0 to 1.0 in all cases calculated on a training four quarter basis. It also contains customary covenants for a financing of this type that limit, subject to certain exceptions, the incurrence of additional indebtedness or guarantees, creation of liens on assets, the ability to dispose assets make restricted payments, investments or acquisitions, enter in to sale-lease back transactions or enter into affiliate transactions. The credit facility provides that the Partnership can make distributions to holders of its common units provided it is in compliance with its leverage ratio and interest coverage ratio covenants on a pro forma basis after giving effect to any distribution and there is no default or event of default under the facility.

The credit facility also contains certain customary representations and warranties, affirmative covenants and events of default, including among other things, payment defaults, breach of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy, certain events under ERISA, material judgments, actual or asserted failure of any guaranty or security document supporting the new credit facility to be in force and effect, and change of control. An event of default will also be triggered if CVR Energy terminates or violates any of CVR Energy's covenants in any of the intercompany agreements between the Partnership and CVR Energy and such action has a material adverse effect on the Partnership.

Capital Spending

We divide our capital spending needs into two categories: maintenance and growth. Maintenance capital spending includes only non-discretionary maintenance projects and projects required to comply with environmental, health and safety regulations. We undertake discretionary capital spending based on the expected return on incremental capital employed. Discretionary capital projects generally involve an expansion of existing capacity, improvement in product yields, and/or a reduction in direct operating expenses. Major scheduled turnaround expenses are expensed when incurred.

The following table summarizes our total actual capital expenditures for the three months ended March 31, 2011 by operating segment and major category:

	Three Months Ended March 31, 2011
Petroleum Business:	
Maintenance	$ 3.8
Growth	0.8
Petroleum business total capital excluding turnaround expenditures	$ 4.6
Nitrogen Fertilizer Business:	
Maintenance	1.8
Growth	0.2
Nitrogen fertilizer business total capital excluding turnaround expenditures	$ 2.0
Corporate:	$ 0.7
Total capital spending	$ 7.3

We expect the petroleum business and corporate related capital expenditures for 2011 to be approximately $94 million and $3 million, respectively. This figure includes an estimated $23 million for construction of additional crude oil storage in Cushing, Oklahoma. These facilities will provide additional capacity of approximately 1,000,000 barrels of crude oil storage. Owning our own storage facilities will provide us additional operational flexibility. Additionally, the refinery turnaround is expected to commence at the beginning of the fourth quarter of 2011 and be completed in the first quarter of 2012. We expect to incur total major scheduled turnaround expenses of approximately $70 million in connection with the refinery turnaround, of which approximately $54 million of this expense is expected to be incurred in 2011.

The nitrogen fertilizer business expects capital expenditures for 2011 to be approximately $47 million. This includes an estimated $38 million for UAN expansion capital expenditures. As the Partnership consummated its initial public offering in April 2011, the Partnership is moving forward with the UAN expansion. We expect that the approximately $135 million UAN expansion, for which approximately $31 million had been spent as of March 31, 2011, will take eighteen to twenty-four months to complete and is expected to be funded by proceeds of the Partnership's initial public offering and term loan borrowings made by the Partnership.

Our estimated capital expenditures are subject to change due to unanticipated increases in the cost, scope and completion time for our capital projects. For example, we may experience increases in labor or equipment costs necessary to comply with government regulations or to complete projects that sustain or improve the profitability of our refinery or nitrogen fertilizer plant. Capital spending for the nitrogen fertilizer business has been and will be determined by the board of directors of the general partner of the Partnership.

Cash Flows

The following table sets forth our cash flows for the periods indicated below:

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
	(unaudited) (in millions)	
Net cash provided by (used in):		
Operating activities	$ (16.0)	$ 43.4
Investing activities	(7.1)	(11.4)
Financing activities	(11.1)	(31.4)
Net increase (decrease) in cash and cash equivalents	$ (34.2)	$ 0.6

Cash Flows Provided by Operating Activities

For purposes of this cash flow discussion, we define trade working capital as accounts receivable, inventory and accounts payable. Other working capital is defined as all other current assets and liabilities except trade working capital.

Net cash flows used for operating activities for the three months ended March 31, 2011 was $16.0 million. The net cash flow used for operating activities over this period was partially driven by outflows due to trade working capital as well as outflows from other working capital. These outflows were partially offset by net income of $45.8 million. Trade working capital for the three months ended March 31, 2011 resulted in a cash outflow of $108.6 million, primarily attributable to an increase in inventory of $147.9 million, an increase in accounts receivable of $33.9 million and partially offset by an increase in accounts payable of $73.2 million, including amounts accrued for construction-in-progress. Other working capital activities resulted in a net cash outflow of $4.2 million, which was primarily driven by an increase in other prepaid expenses and other current assets of $17.0 million, an increase in the insurance receivable of $8.6 million, primarily attributable to the fire that occurred at the refinery's FCC unit, and a increase in other current liabilities of approximately $4.1 million. These outflows were partially offset by increases in accrued income taxes $15.2 million, the increase of deferred revenue by $8.0 million and the receipt of insurance proceeds of approximately $2.5 million, the majority of which primarily related to the business interruption claim filed by the nitrogen fertilizer business related to the September 30, 2010 UAN vessel rupture. The increase in deferred revenue is the result of prepayments received for nitrogen fertilizer.

Net cash flows provided by operating activities for the three months ended March 31, 2010 was $43.4 million. The positive cash flow from operating activities generated over this period was primarily driven by favorable changes in trade working capital and other working capital which were partially offset by a net loss for the quarter. Trade working capital for the three months ended March 31, 2010 resulted in a cash inflow of $14.0 million, primarily attributable to a decrease in inventory of $19.2 million, an increase in accounts payable of $9.4 million coupled with the accrual of construction in progress of $1.5 million. This activity was partially offset by an increase in accounts receivable of $16.1 million. In addition, our deferred revenue increased by $19.8 million as a result of the receipt of nitrogen fertilizer payments.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the three months ended March 31, 2011 was $7.1 million compared to $11.4 million for the three months ended March 31, 2010. The decrease in investing activities for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 was primarily the result of a decrease in capital expenditures. For the three months ended March 31, 2011 petroleum capital expenditure decreased by approximately $4.5 million compared to the three months ended March 31, 2010. For the three months ended March 31, 2011, petroleum capital expenditures totaled approximately $4.6 million compared to $9.1 million for the three months ended March 31, 2010. Significant capital expenditures for the three months ended March 31, 2010, included expenditures for the petroleum business' ultra low sulfur gasoline unit of approximately $6.8 million compared to approximately $0.2 million for the three months ended March 31, 2011. This decrease was partially offset by an increase in nitrogen fertilizer capital expenditures. Additionally, we received approximately $0.2 million of insurance proceeds in January 2011 related to the rupture of the UAN vessel that occurred on September 30, 2010.

Cash Flows Used in Financing Activities

Net cash used in financing activities for the three months ended March 31, 2011 was $11.1 million as compared to net cash used in financing activities of $31.4 million for the three months ended March 31, 2010. During the three months ended March 31, 2011, we paid financing costs associated with the ABL credit facility and CRNF credit facility of approximately $4.7 million. During the first quarter of 2011, we also exercised our purchase option related to a corporate asset. This option resulted in a cash outflow of approximately $4.7 million and satisfied a capital lease obligation. Additionally, we paid approximately $1.6 million of costs related to the Offering. During the three months ended March 31, 2010, we paid a $1.2 million scheduled principal payment on our first priority credit facility long-term debt and also made voluntary unscheduled principal payments totaling $25.0 million in the first quarter of 2010 related to our first priority credit facility long-term debt. In the first quarter of 2010, we also paid $5.2 million of financing costs in connection with the fourth amendment to our first priority credit facility and issuance of the Notes.

For the three months ended March 31, 2011, there were no borrowings or repayments under our first priority credit facility or ABL credit facility. As of March 31, 2011, there were no short-term borrowings outstanding under the ABL credit facility. For the three months ended March 31, 2010, we borrowed and repaid $40.0 million in short-term borrowings. These borrowings were made from our first priority revolving credit facility and were for the purpose of facilitating our working capital needs.

Capital and Commercial Commitments

In addition to long-term debt, we are required to make payments relating to various types of obligations. The following table summarizes our minimum payments as of March 31, 2011 relating to the Notes, operating leases, capital lease obligations, unconditional purchase obligations and other specified capital and commercial commitments for the period following March 31, 2011 and thereafter. As of March 31, 2011, there were no amounts outstanding under the ABL credit facility. The following table assumes no borrowings are made under the ABL credit facility.

	Payments Due by Period						
	Total	2011	2012	2013	2014	2015	Thereafter
				(in millions)			
Contractual Obligations							
Long-term debt(1)	$ 472.5	$ —	$ —	$ —	$ —	$ 247.5	$ 225.0
Operating leases(2)	19.9	4.7	6.5	4.6	2.4	1.1	0.6
Capital lease obligations(3)	0.3	0.1	0.1	0.1	—	—	—
Unconditional purchase obligations(4)(5)	816.8	67.1	86.8	86.9	87.0	81.3	407.7
Environmental liabilities(6)	3.9	0.8	0.7	0.2	0.2	0.2	1.8
Interest payments(7)	254.4	41.2	46.7	46.7	46.7	35.9	37.2
Total	$ 1,567.8	$ 113.9	$ 140.8	$ 138.5	$ 136.3	$ 366.0	$ 672.3
Other Commercial Commitments							
Standby letters of credit(8)	$ 41.6	$ —	$ —	$ —	$ —	$ —	$ —

(1) As described above, the Company issued the Notes in an aggregate principal amount of $500.0 million on April 6, 2010. The First Lien Notes and Second Lien Notes bear an interest rate of 9.0% and 10.875% per year, respectively, payable semi-annually. The First Lien Notes mature on April 1, 2015, unless earlier redeemed or repurchased by the Issuers. The Second Lien Notes mature on April 1, 2017, unless earlier

redeemed or repurchased by the Issuers. In December 2010, we made a voluntary unscheduled prepayment on our First Lien Notes of $27.5 million, reducing our aggregate principal balance of the Notes to $472.5 million. On April 14, 2011, we made an offer to purchase $100 million of the Notes, which expires on May 16, 2011. See "— Liquidity and Capital Resources — Senior Secured Notes."

The Partnership entered into a new credit facility in connection with the closing of the Offering. The new credit facility includes a $125.0 million term loan, which was fully drawn at closing, and a $25.0 million revolving credit facility, which was undrawn at close. These amounts have not been included in the table above as they were not contractual obligations as of March 31, 2011.

(2) The nitrogen fertilizer business leases various facilities and equipment, primarily railcars, under non-cancelable operating leases for various periods.

(3) The amount includes commitments under capital lease arrangements for personal property used for corporate purposes.

(4) The amount includes (a) commitments under several agreements in our petroleum operations related to pipeline usage, petroleum products storage and petroleum transportation, (b) commitments under an electric supply agreement with the city of Coffeyville and (c) a product supply agreement with Linde.

(5) This amount includes approximately $543.5 million payable ratably over ten years pursuant to petroleum transportation service agreements between CRRM and TransCanada Keystone Pipeline, LP ("TransCanada"). Under the agreements, CRRM would receive transportation of at least 25,000 barrels per day of crude oil with a delivery point at Cushing, Oklahoma for a term of ten years on TransCanada's Keystone pipeline system. On September 15, 2009, the Company filed a Statement of Claim in the Court of the Queen's Bench of Alberta, Judicial District of Calgary, to dispute the validity of the petroleum transportation service agreements. The Company and TransCanada settled this claim in March 2011. CRRM began receiving crude oil under the agreements on the terms discussed above in the first quarter of 2011.

(6) Environmental liabilities represents (a) our estimated payments required by federal and/or state environmental agencies related to closure of hazardous waste management units at our sites in Coffeyville and Phillipsburg, Kansas and (b) our estimated remaining costs to address environmental contamination resulting from a reported release of UAN in 2005 pursuant to the State of Kansas Voluntary Cleaning and Redevelopment Program. We also have other environmental liabilities which are not contractual obligations but which would be necessary for our continued operations.

(7) Interest payments are based on stated interest rates for the respective Notes. Interest is payable on the Notes semi-annually on April 1 and October 1 of each year.

(8) Standby letters of credit include $0.2 million of letters of credit issued in connection with environmental liabilities, $30.6 million in letters of credit to secure transportation services for crude oil, $1.0 million issued for the purpose of providing support during the transition of letters of credit issued under the first priority credit facility to the ABL credit facility and standby letters of credit totaling $9.8 million issued in support of the purchase of feedstocks.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of March 31, 2011.

Recent Accounting Pronouncements

In July 2010, the FASB issued Accounting Standards Update ("ASU") No. 2010-20, which amends ASC Topic 310, *Receivables* to provide greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. This ASU will require an entity to disclose (1) the inherent credit risk in its financing receivables, (2) how the credit risk is analyzed and assessed in calculating the allowance for credit losses and (3) the changes and reasons for those changes in the allowance for credit losses. The provisions of ASU No. 2010-20 are effective for interim and annual reporting periods ending on or after December 31, 2010. The adoption of this standard did not impact our financial position or results of operations.

In January 2010 the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements* an amendment to ASC Topic 820, *Fair Value Measurements and Disclosures*. This amendment requires an entity to: (i) disclose separately the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements and describe the reasons for the transfers, (ii) present separate information for Level 3 activity pertaining to gross purchases, sales, issuances, and settlements and (iii) enhance disclosures of assets and liabilities subject to fair value measurements. The provisions of ASU No. 2010-06 are effective for us for interim and annual reporting beginning after December 15, 2009, with one new disclosure effective after December 15, 2010. We adopted this ASU as of January 1, 2010. The adoption of this standard did not impact our financial position or results of operations.

Critical Accounting Policies

Our critical accounting policies are disclosed in the “Critical Accounting Policies” section of our Annual Report on Form 10-K for the year ended December 31, 2010. No modifications have been made to our critical accounting policies.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

The risk inherent in our market risk sensitive instruments and positions is the potential loss from adverse changes in commodity prices and interest rates. Information about market risks for the three months ended March 31, 2011 does not differ materially from that discussed under Part II — Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2010. We are exposed to market pricing for all of the products sold in the future both at our petroleum business and the nitrogen fertilizer business, as all of the products manufactured in both businesses are commodities.

Our earnings and cash flows and estimates of future cash flows are sensitive to changes in energy prices. The prices of crude oil and refined products have fluctuated substantially in recent years. These prices depend on many factors, including the overall demand for crude oil and refined products, which in turn depends, among other factors, general economic conditions, the level of foreign and domestic production of crude oil and refined products, the availability of imports of crude oil and refined products, the marketing of alternative and competing fuels, the extent of government regulations and global market dynamics. The prices we receive for refined products are also affected by factors such as local market conditions and the level of operations of other refineries in our markets. The prices at which we can sell gasoline and other refined products are strongly influenced by the price of crude oil. Generally, an increase or decrease in the price of crude oil results in a corresponding increase or decrease in the price of gasoline and other refined products. The timing of the relative movement of the prices, however, can impact profit margins, which could significantly affect our earnings and cash flows.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Our management, under the direction of our Chief Executive Officer and Chief Financial Officer, evaluated as of March 31, 2011 the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon and as of the date of that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. It should be noted that any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any system of disclosure controls and procedures is based in part upon assumptions about the likelihood of future events. Due to these and other inherent limitations of any such system, there can be no assurance that any design will always succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting required by Rule 13a-15 of the Exchange Act that occurred during the fiscal quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

See Note 11 ("Commitments and Contingencies") to Part I, Item I of this Form 10-Q, which is incorporated by reference into this Part II, Item 1, for a description of the Samson, J. Aron, property tax and TransCanada litigation contained in "Litigation" and for a description of the Consent Decree contained in "Environmental, Health, and Safety ("EHS") Matters."

Item 1A. ***Risk Factors***

See "Risk Factors" attached hereto as Exhibit 99.1 for a discussion of risks our business may face.

Item 6. ***Exhibits***

Number	Exhibit Title
10.1*	Third Amended and Restated Employment Agreement, dated as of January 1, 2011, by and between CVR Energy, Inc. and John J. Lipinski.
10.2*	Third Amended and Restated Employment Agreement, dated as of January 1, 2011, by and between CVR Energy, Inc. and Stanley A. Riemann.
10.3*	Second Amended and Restated Employment Agreement, dated as of January 1, 2011, by and between CVR Energy, Inc. and Edward Morgan.
10.4*	Third Amended and Restated Employment Agreement, dated as of January 1, 2011, by and between CVR Energy, Inc. and Edmund S. Gross.
10.5*	Third Amended and Restated Employment Agreement, dated as of January 1, 2011, by and between CVR Energy, Inc. and Robert W. Haugen.
10.6**	ABL Credit Agreement, dated as of February 22, 2011, among Coffeyville Resources, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Pipeline, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, the Holding Companies (as defined therein), the Subsidiary Guarantors (as defined therein), certain other Subsidiaries of the Holding Companies or Coffeyville Resources, LLC from time to time party thereto, the lenders from time to time party thereto, Deutsche Bank Trust Company Americas, JPMorgan Chase Bank, N.A. and Wells Fargo Capital Finance, LLC, as Co-ABL Collateral Agents, and Deutsche Bank Trust Company Americas, as Administrative Agent and Collateral Agent (filed as Exhibit 1.1 to the Company's Current Report on Form 8-K, filed on February 28, 2011 and incorporated herein by reference).
10.7**	ABL Pledge and Security Agreement, dated as of February 22, 2011, among Coffeyville Resources, LLC, Coffeyville Resources Refining & Marketing, LLC, Coffeyville Resources Nitrogen Fertilizers, LLC, Coffeyville Resources Pipeline, LLC, Coffeyville Resources Crude Transportation, LLC and Coffeyville Resources Terminal, LLC, the Holdings Companies (as defined therein), certain other Subsidiaries of the Holding Companies party thereto from time to time, and Deutsche Bank Trust Company Americas, as Collateral Agent (filed as Exhibit 1.2 to the Company's Current Report on Form 8-K, filed on February 28, 2011 and incorporated herein by reference).

Number	Exhibit Title
10.8**	ABL Intercreditor Agreement, dated as of February 22, 2011, among Coffeyville Resources, LLC, Coffeyville Finance Inc., Deutsche Bank Trust Company Americas, as collateral agent for the secured parties, Wells Fargo Bank, National Association, as collateral trustee for the secured parties in respect of the outstanding first lien notes, and the outstanding second lien notes and certain subordinated liens, respectively, and the Guarantors (as defined therein) (filed as Exhibit 1.3 to the Company's Current Report on Form 8-K, filed on February 28, 2011 and incorporated herein by reference).
10.9*†	Crude Oil Supply Agreement dated as of March 30, 2011, by and between Vitol Inc. and Coffeyville Resources Refining & Marketing, LLC.
10.10**	CVR Partners, LP Long-Term Incentive Plan (adopted March 16, 2011) (filed as Exhibit 10.1 to the Partnership's Registration Statement on Form S-8 filed on April 12, 2011 and incorporated herein by reference).
10.11	Form of CVR Partners, LP Long-Term Incentive Plan Director Phantom Unit Agreement (filed as Exhibit 10.13.1 to the Partnership's Form S-1/A, File No. 333-171270 and incorporated herein by reference).
10.12	Form of CVR Partners, LP Long-Term Incentive Plan Director Stock Option Agreement (filed as Exhibit 10.13.2 to the Partnership's Form S-1/A, File No. 333-171270 and incorporated herein by reference).
31.1*	Certification of the Company's Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
31.2*	Certification of the Company's Chief Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
32.1*	Certification of the Company's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Company's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1*	Risk Factors.

* Filed herewith.

** Previously filed.

† Certain portions of this exhibit have been omitted and separately filed with the SEC pursuant to a request for confidential treatment that is pending at the SEC.

PLEASE NOTE: Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed or incorporated by reference the agreements referenced above as exhibits to this quarterly report on Form 10-Q. The agreements have been filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the Company or its business or operations. In particular, the assertions embodied in any representations, warranties and covenants contained in the agreements may be subject to qualifications with respect to knowledge and materiality different from those applicable to investors and may be qualified by information in confidential disclosure schedules not included with the exhibits. These disclosure schedules may contain information that modifies, qualifies and creates exceptions to the representations, warranties and covenants set forth in the agreements. Moreover, certain representations, warranties and covenants in the agreements may have been used for the purpose of allocating risk between the parties, rather than establishing matters as facts. In addition, information concerning the subject matter of the representations, warranties and covenants may have changed after the date of the respective agreement, which subsequent information may or may not be fully reflected in the Company's public disclosures. Accordingly, investors should not rely on the representations, warranties and covenants in the agreements as characterizations of the actual state of facts about the Company or its business or operations on the date hereof.

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 thereunto duly authorized.

CVR Energy, Inc.

By: /s/ JOHN J. LIPINSKI
Chief Executive Officer
(Principal Executive Officer)

May 10, 2011

By: /s/ EDWARD MORGAN
Chief Financial Officer
(Principal Financial Officer)

May 10, 2011

THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of January 1, 2011 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **JOHN J. LIPINSKI** (the "Executive").

WHEREAS, the Company and the Executive entered into an amended and restated employment agreement dated January 1, 2008 (the "First Amended and Restated Agreement") and an amended and restated employment agreement dated January 1, 2010 (the "Second Amended and Restated Agreement");

WHEREAS, the Company and the Executive desire to further amend and restate the Second Amended and Restated Agreement in its entirety as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2011 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term"), provided, however, that at the end of each calendar month after the Commencement Date, the term of this Employment Agreement shall be automatically extended for one month.

1.2. Duties. During the Term, the Executive shall serve as President and Chief Executive Officer of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board. The Executive shall be employed in the State of Texas during the Term.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of Executive's working time to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent Executive from (i) investing Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of Executive in the management or operation of the affairs of the companies, partnerships, or other business entities in which any such passive investments are made; or (ii) serving on the board of directors for Thumbs Up Enterprises Limited and its affiliated companies.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of $900,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). Commencing with fiscal year 2011, the target Annual Bonus shall be 250% of the Executive's Base Salary as in effect at the beginning of the Term in fiscal year 2011 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive on the last scheduled payroll payment date during such fiscal year; provided, however, that if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Annual Bonus shall be paid at such time as is provided in the applicable plan.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Paid Time Off. During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of thirty-six (36) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period"), (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and his dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for thirty-six (36) months or, if earlier, until the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period")(such payments, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the imposition of an excise tax on the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans;

provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit Continuation Period an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(g), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment, except that the Pro Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to a payment each month during the Severance Period equal to one-twelfth (1/12th) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and such amounts shall be deemed to be included in the term Severance Payments for purposes of this Agreement.

(c) Termination by the Company For Disability. If the Executive's employment is terminated during the Term by the Company by reason of the Executive's Disability, in addition to the Accrued Amounts and any payments to be made to the Executive under the Company's disability plan(s) as a result of such Disability, the Company shall pay to the Executive such supplemental amounts (the "Supplemental Disability Payments") as shall be necessary to result in the payment of aggregate amounts to the Executive as a result of his Disability that shall be equal to the Executive's Base Salary as in effect immediately before such Disability; provided, that, at the Company's option, the Company may purchase insurance to cover its obligations under this Section 3.2(c) and the Executive shall cooperate to assist the Company in obtaining such insurance. Such Supplemental Disability Payments shall be made for a period of thirty-six (36) months from the Date of Disability. The Company shall also pay to the Executive a Pro-Rata Bonus in the event of a termination of employment described in this Section 3.2(c). The Company's obligations to make the Supplemental Disability Payments and the Pro-Rata Bonus shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a Release that becomes effective not later than forty-five (45) days after the date of such termination of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Supplemental Disability Payments and the Pro-Rata Bonus that have been paid to the Executive pursuant to this Section 3.2(c). Subject to the foregoing and Section 3.2(g), the Supplemental Disability Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(d) Termination by Reason of Death. If the Executive's employment is terminated during the Term by reason of his death, in addition to the Accrued Amounts and any employee benefits to which the Executive's estate, spouse or other beneficiaries, as applicable, may be entitled, the Company shall pay to the beneficiary designated in writing by the Executive (or to his estate if no such beneficiary has been so designated), (i) the Base Salary which the Executive would have received if he had remained employed under this Employment Agreement for a total of thirty-six months from the commencement of the Term, assuming for such remaining period the Executive's Base Salary as in effect on the date of the Executive's death; provided, that, at the Company's option, the Company may purchase insurance to cover its obligations under this Section 3.2(d) (which for the avoidance of doubt shall not include insurance provided by the Company under its group life insurance plan covering employees generally) and the Executive shall cooperate to assist the Company in obtaining such insurance and (ii) a Pro-Rata Bonus.

(e) Retirement. Upon Retirement, the Executive, whether or not Sections 3.2(a) or 3.2(c) also apply but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus, (ii) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for thirty-six (36) months following date of his Retirement or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer and (iii) the provision of an office at the Company's headquarters and use of such offices and the Company facilities and administrative support at the Company's expense for thirty-six (36) months following the date of his Retirement and at the Executive's expense thereafter, provided that such use shall not interfere with Company use thereof. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such thirty-six (36) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the

Executive monthly for such thirty-six (36) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(e), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(f) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following (each a "Good Reason Event"): (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; provided, however, that the hiring of a chief executive officer by CVR GP, LLC shall not be a Good Reason Event if, immediately thereafter, the Executive is the chairman of the board of directors of CVR GP, LLC, (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; or (iv) a Change in Control in which the Executive does not concurrently receive an employment contract substantially in the form of this Employment Agreement from the successor company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least ten (10) business days to cure. Notwithstanding the foregoing, if a Good Reason Event occurs upon or following a Change in Control and prior to the tenth (10th) business day prior to the first (1st) anniversary of the Change in Control, a resignation for Good Reason (i) may not be effective prior to the ninetieth (90th) day after the date of the occurrence of the Change in Control and (ii) may be effective at any time within the period commencing ninety (90) days after the date of the occurrence of the Change in Control and ending on the first anniversary of the date of the occurrence of the Change in Control; provided, however, that the Executive must provide the Company with notice of the occurrence of the Good Reason Event and at least ten (10) business days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; provided, however, that the Executive's refusal to participate in or perform any act on behalf of the Company which upon advice of counsel the Executive in good faith believes is illegal or unethical shall not constitute Cause; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is terminated for Cause by reason of Executive's indictment

pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(e), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to cure such breach within ten (10) business days; provided, however, that no such notice of, nor opportunity to cure, such breach shall be required hereunder if the breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis for resignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean that: (i) the Executive is unable to perform his duties hereunder as a result of illness or physical injury for a period of at least ninety (90) days; (ii) the Executive is entitled to receive payments under the Company's long-term disability insurance plan; (iii) the Executive has started to receive such disability insurance payments; and (iv) no person has contested or questioned the Executive's right to receive such payments or, if such payments have been contested, the Company has irrevocably and unconditionally agreed to pay the Executive such amounts as will net to the Executive after reduction for applicable federal and state income taxes the same amount as he would have received after such taxes from such insurance. The "Date of Disability" shall mean the first date on which all of the requirements set forth in clauses (i) through (iv) above have been satisfied.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the

Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a), (c), (d) or (e) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B)(i) if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Code, an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had his employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year, or (ii) if the Annual Bonus is not payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation", the target Annual Bonus for that year.

(7) "Retirement" shall mean the Executive's termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive's death) following the date the Executive attains age 62.

(g) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive's separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury Regulation §1.409A-1(i)), no payment constituting the "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive's separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a "separation from service" as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive's employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. Following the termination or resignation of the Executive's employment with the Company for any reason and during any period in which the Executive is receiving Severance Payments or Supplemental Disability Payments, or for one (1) year following termination or resignation of the Executive's employment with the Company if no Severance Payments or Supplemental Disability Payments are payable, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive's employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive's most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Solicitation; Non-Competition; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive's confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and other tangible products or documents, in each case which have been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the

Company and which are or contain Confidential Information, and any copies thereof in Executive's (or capable of being reduced to Executive's) possession.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its Affiliates, the Executive agrees that the Executive shall not, during the Term and thereafter for the period during which the Severance Payments or Supplemental Disability Payments are payable or one (1) year following the end of the Term if no Severance Payments or Supplemental Disability Payments are payable (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Affiliates conducted during the preceding twelve (12) months (or following the Term, the twelve (12) months preceding the last day of the Term), or (ii) proposed to be conducted by the Company or any of its Affiliates in the Company's or Affiliate's business plan as in effect at that time (or following the Term, the business plan as in effect as of the last day of the Term); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, (A) the foregoing shall not prohibit the Executive from working in the State of Texas; provided, that the Executive's so working does not involve any Restricted Enterprise that is operating in the State of Texas if the Company or any of its Affiliates is then operating in the State of Texas and (B) a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly solicit (or assist any Person to solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates, provided, however, that this Section 4.3 shall not prohibit the hiring of any individual as a result of the individual's response to an advertisement in a publication of general circulation.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) solicit (or assist any Person to solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments or Supplemental Disability Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Indemnification. To the extent permitted by applicable law and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of all causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term. This indemnity shall not apply to the Executive's acts of willful misconduct or gross negligence. The Executive shall be covered under any directors' and officers' insurance that the Company maintains for its directors and other officers in the same manner and on the same basis as the Company's directors and other officers.

8.2. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as a result of (i) the termination of the Executive's employment by the Company or the resignation by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination or resignation of employment) or (b) the Executive seeking to obtain or enforce any right or benefit provided by this Employment Agreement; provided, that, if it is determined that the Executive's termination of employment was for Cause, the Executive shall not be entitled to any payment or reimbursement pursuant to this Section 8.2.

8.3. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.4. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.5. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.6. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	CVR Energy, Inc. 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Attention: General Counsel Facsimile: (913) 982-5651
with a copy to:	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Donald P. Carleen, Esq. Facsimile: (212) 859-4000
If to the Executive:	John J. Lipinski 2277 Plaza Drive, Suite 500 Sugar Land, TX 77479 Facsimile: (281) 207-3505

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.7. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Texas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the First Amended and Restated Agreement and the Second Amended and Restated Agreement.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or 3.2(e), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.14. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company's Board, except as otherwise expressly provided herein.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

		CVR ENERGY, INC.
/s/ John J. Lipinski	By:	/s/ Stanley A. Riemann
JOHN J. LIPINSKI		Name: Stanley A. Riemann
		Title: Chief Operating Officer

[Signature Page to Third Amended and Restated Employment Agreement]

<u>APPENDIX A</u>

"<u>Change in Control</u>" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "<u>Voting Securities</u>") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "<u>Non-Control Acquisition</u>" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "<u>Related Entity</u>"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "<u>Merger</u>"), unless such Merger is a "Non-Control Transaction." A "<u>Non-Control Transaction</u>" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "<u>Surviving Corporation</u>"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "<u>Parent Corporation</u>") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of

the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition: (i) "Shares" means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged and (ii) "Principal Stockholder" means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of January 1, 2011 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **STANLEY A. RIEMANN** (the "Executive").

WHEREAS, the Company and the Executive entered into an amended and restated employment agreement dated December 29, 2007 (the "First Amended and Restated Agreement") and an amended and restated employment agreement dated January 1, 2010 (the "Second Amended and Restated Agreement").

WHEREAS, the Company and the Executive desire to further amend and restate the Second Amended and Restated Agreement in its entirety as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2011 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Chief Operating Officer of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") or its designee shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of Executive's working time and attention to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, or its designee, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the

affairs of the companies, partnerships, or other business entities in which any such passive investments are made.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of $425,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). Commencing with fiscal year 2011, the target Annual Bonus shall be 200% of the Executive's Base Salary as in effect at the beginning of the Term in fiscal year 2011 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive on the last scheduled payroll payment date during such fiscal year; provided, however, that if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Annual Bonus shall be paid at such time as is provided in the applicable plan.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Paid Time Off. During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the

calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of eighteen (18) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period") and (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and the Executive's dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for eighteen (18) months or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period") (collectively, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the imposition of an excise tax to the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period (as defined below), but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit

Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period, an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(e), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45^{th}) day following the Executive's termination of employment, except that the Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to (I) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (determined without regard to any reduction in Base Salary subsequent to the Change in Control or in connection with the Change in Control Related Termination) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) commencing on the eighteen (18) month anniversary of the date of termination or resignation (the "Additional Severance Period"), (II) a payment each month during the Severance Period and the Additional Severance Period equal to one-twelfth ($1/12^{th}$) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and (III) the continuation of the Welfare Benefits for the twelve (12) month period commencing on the eighteen (18) month anniversary of the date of termination or resignation or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Additional Welfare Benefit Continuation Period"). Amounts received pursuant to this Section 3.2(b) shall be deemed to be included in the term Severance Payments for purposes of this Employment Agreement.

(c) Retirement. Upon Retirement, the Executive, whether or not Section 3.2(a) also applies but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus, (ii) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twenty-four (24) months following the date of the Executive's Retirement or, if earlier, until such time as the Executive becomes eligible for

Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer and (iii) use of Company facilities at the Executive's expense, but only to the extent that such use does not interfere with the Company's use thereof. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such twenty-four (24) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly for such twenty-four (24) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(b), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(d) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is terminated for Cause by reason of Executive's indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a

court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(c), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis for resignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a) or (c) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B)(i) if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Code, an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had his employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year, or (ii) if the Annual Bonus is not payable pursuant to a plan that is intended to provide for the payment of

bonuses that constitute “performance-based compensation”, the target Annual Bonus for that year.

(7) “Retirement” shall mean the Executive’s termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive’s death) following the date the Executive attains age 62.

(e) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive’s separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury Regulation §1.409A-1(i)), no payment constituting the “deferral of compensation” within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive’s separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a “separation from service” as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive’s employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive’s employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive’s employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. For one (1) year following the termination or resignation of the Executive’s employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive’s services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive’s employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive’s most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this

Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive's confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in Executive's (or capable of being reduced to Executive's) possession.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its Affiliates, the Executive agrees that the Executive shall not, during the Term and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted

Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Affiliates conducted during the preceding twelve (12) months (or following the Term, the twelve (12) months preceding the last day of the Term), or (ii) proposed to be conducted by the Company or any of its Affiliates in the Company's or Affiliate's business plan as in effect at that time (or following the Term, the business plan as in effect as of the last day of the Term); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as a result of (i) the termination of the Executive's employment by the Company or the resignation by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination or resignation of employment) or (b) the Executive seeking to obtain or enforce any right or benefit provided by this Employment Agreement; provided, that, if it is determined that the Executive's termination of employment was for Cause, the Executive shall not be entitled to any payment or reimbursement pursuant to this Section 8.2.

8.3. Indemnification. To the extent provided in the Company's Certificate of Incorporation or Bylaws, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.4. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.5. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Employment Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.6. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	CVR Energy, Inc. 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Attention: General Counsel Facsimile: (913) 982-5651
with a copy to:	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Donald P. Carleen, Esq. Facsimile: (212) 859-4000

If to the Executive:	Stanley A. Riemann 2277 Plaza Drive, Suite 500 Sugar Land, TX 77479 Facsimile: (281) 207-3251

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.7. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Texas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the First Amended and Restated Agreement and the Second Amended and Restated Agreement.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to “include”, “includes” and “including” shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or Section 3.2(b), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.14. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company’s Board, except as otherwise expressly provided herein. For purposes of any references herein to the Board’s designee, any such reference shall be deemed to include the Chief Executive Officer of the Company and such other or additional officers, or committees of the Board, as the Board may expressly designate from time to time for such purpose.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

CVR ENERGY, INC.

/s/ Stanley A. Riemann
STANLEY A. RIEMANN

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: Chief Executive Officer and President

[Signature Page to Third Amended and Restated Employment Agreement]

APPENDIX A

"Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of

the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition: (i) "Shares" means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged and (ii) "Principal Stockholder" means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of January 1, 2011 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **EDWARD MORGAN** (the "Executive").

WHEREAS, the Company and the Executive entered into an employment agreement dated April 1, 2009, as amended by an amendment to such employment agreement dated August 17, 2009 (as amended, the "Original Agreement") and an amended and restated employment agreement dated January 1, 2010 (the "Amended and Restated Agreement");

WHEREAS, the Company and the Executive desire to amend and restate the Original Agreement in its entirety as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2011 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Chief Financial Officer and Treasurer of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") or its designee shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of Executive's working time and attention to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, or its designee, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the

affairs of the companies, partnerships, or other business entities in which any such passive investments are made.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of $335,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). Commencing with fiscal year 2011, the target Annual Bonus shall be 120% of the Executive's Base Salary as in effect at the beginning of the Term in fiscal year 2011 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive on the last scheduled payroll payment date during such fiscal year; provided, however, that if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Annual Bonus shall be paid at such time as is provided in the applicable plan.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Paid Time Off. During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the

calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period") and (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and the Executive's dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for twelve (12) months or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period") (such payments, collectively, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in the plan would result in the imposition of an excise tax to the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period (as defined below), but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit

Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period, an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(e), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment, except that the Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to (I) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (determined without regard to any reduction in Base Salary subsequent to the Change in Control or in connection with the Change in Control Related Termination) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) commencing on the one (1) year anniversary of the date of termination or resignation (the "Additional Severance Period"), (II) a payment each month during the Severance Period and the Additional Severance Period equal to one-twelfth (1/12th) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and (III) the continuation of the Welfare Benefits for the twelve (12) month period commencing on the one (1) year anniversary of the date of termination or resignation or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Additional Welfare Benefit Continuation Period"). Amounts received pursuant to this Section 3.2(b) shall be deemed to be included in the term Severance Payments for purposes of this Employment Agreement.

(c) Retirement. Upon Retirement, the Executive, whether or not Section 3.2(a) also applies but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus, (ii) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twenty-four (24) months following the date of the Executive's Retirement or, if earlier, until such time as the Executive becomes eligible for

Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such twenty-four (24) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly for such twenty-four (24) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(b), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(d) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is terminated for Cause by reason of Executive's indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated

for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(c), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis for resignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a) or (c) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B)(i) if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Code, an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had his employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year, or (ii) if the Annual Bonus is not payable pursuant to a plan that is intended to provide for the payment of

bonuses that constitute "performance-based compensation", the target Annual Bonus for that year.

(7) "Retirement" shall mean the Executive's termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive's death) following the date the Executive attains age 62.

(e) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive's separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury Regulation §1.409A-1(i)), no payment constituting the "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive's separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a "separation from service" as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive's employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. For one (1) year following the termination or resignation of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive's employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive's most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this

Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive's confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in Executive's (or capable of being reduced to Executive's) possession.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its Affiliates, the Executive agrees that the Executive shall not, during the Term and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted

Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Affiliates conducted during the preceding twelve (12) months (or following the Term, the twelve (12) months preceding the last day of the Term), or (ii) proposed to be conducted by the Company or any of its Affiliates in the Company's or Affiliate's business plan as in effect at that time (or following the Term, the business plan as in effect as of the last day of the Term); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the “shareholder approval” exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company’s expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the “Accounting Firm”). The Accounting Firm shall provide its determination (the “Determination”), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive’s final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as a result of (i) the termination of the Executive’s employment by the Company or the resignation by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination or resignation of employment) or (b) the Executive seeking to obtain or enforce any right or benefit provided by this Employment Agreement; provided, that, if it is determined that the Executive's termination of employment was for Cause, the Executive shall not be entitled to any payment or reimbursement pursuant to this Section 8.2.

8.3. Indemnification. To the extent provided in the Company's Certificate of Incorporation or Bylaws, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.4. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.5. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Employment Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.6. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	CVR Energy, Inc. 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Attention: General Counsel Facsimile: (913) 982-5651
with a copy to:	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Donald P. Carleen, Esq. Facsimile: (212) 859-4000
If to the Executive:	Edward Morgan 2277 Plaza Drive, Suite 500 Sugar Land, TX 77479 Facsimile: (281) 207-3389

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All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.7. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Texas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the Original Agreement and the Amended and Restated Agreement.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to “include”, “includes” and “including” shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or Section 3.2(b), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.14. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company’s Board, except as otherwise expressly provided herein. For purposes of any references herein to the Board’s designee, any such reference shall be deemed to include the Chief Executive Officer of the Company and such other or additional officers, or committees of the Board, as the Board may expressly designate from time to time for such purpose.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

CVR ENERGY, INC.

/s/ Edward Morgan	By: /s/ John J. Lipinski
EDWARD MORGAN	Name: John J. Lipinski
	Title: Chief Executive Officer and President

[Signature Page to Second Amended and Restated Employment Agreement]

APPENDIX A

"Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of

the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition: (i) "Shares" means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged and (ii) "Principal Stockholder" means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

Exhibit 10.4

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of January 1, 2011 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **EDMUND S. GROSS** (the "Executive").

WHEREAS, the Company and the Executive entered into an amended and restated employment agreement dated December 29, 2007 (the "First Amended and Restated Agreement") and an amended and restated employment agreement dated January 1, 2010 (the "Second Amended and Restated Agreement");

WHEREAS, the Company and the Executive desire to further amend and restate the First Amended and Restated Agreement in its entirety as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2011 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Senior Vice President, General Counsel and Secretary of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") or its designee shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of Executive's working time and attention to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, or its designee, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the

affairs of the companies, partnerships, or other business entities in which any such passive investments are made.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of $362,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). Commencing with fiscal year 2011, the target Annual Bonus shall be 100% of the Executive's Base Salary as in effect at the beginning of the Term in fiscal year 2011 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive on the last scheduled payroll payment date during such fiscal year; provided, however, that if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Annual Bonus shall be paid at such time as is provided in the applicable plan.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Paid Time Off. During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the

calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period") and (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and the Executive's dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for twelve (12) months or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period") (collectively, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the imposition of an excise tax to the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period (as defined below), but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit

Continuation Period and, if applicable, the Additional Welfare Benefit Continuation Period, an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(e), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment, except that the Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to (I) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (determined without regard to any reduction in Base Salary subsequent to the Change in Control or in connection with the Change in Control Related Termination) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) commencing on the one (1) year anniversary of the date of termination or resignation (the "Additional Severance Period"), (II) a payment each month during the Severance Period and the Additional Severance Period equal to one-twelfth (1/12th) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and (III) the continuation of the Welfare Benefits for the twelve (12) month period commencing on the one (1) year anniversary of the date of termination or resignation or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Additional Welfare Benefit Continuation Period"). Amounts received pursuant to this Section 3.2(b) shall be deemed to be included in the term Severance Payments for purposes of this Employment Agreement.

(c) Retirement. Upon Retirement, the Executive, whether or not Section 3.2(a) also applies but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus, (ii) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twenty-four (24) months following the date of the Executive's Retirement or, if earlier, until such time as the Executive becomes eligible for

Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such twenty-four (24) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly for such twenty-four (24) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(b), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(d) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is terminated for Cause by reason of Executive's indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated

for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(c), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis forresignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a) or (c) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B)(i) if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Code, an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had his employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year, or (ii) if the Annual Bonus is not payable pursuant to a plan that is intended to provide for the payment of

bonuses that constitute “performance-based compensation”, the target Annual Bonus for that year.

(7) “Retirement” shall mean the Executive’s termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive’s death) following the date the Executive attains age 62.

(e) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive’s separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury Regulation §1.409A-1(i)), no payment constituting the “deferral of compensation” within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive’s separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a “separation from service” as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive’s employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive’s employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive’s employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. For one (1) year following the termination or resignation of the Executive’s employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive’s services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive’s employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive’s most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this

Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Solicitation; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive's confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in Executive's (or capable of being reduced to Executive's) possession.

4.2. Non-Solicitation of Employees. During the Term and for a period of twelve (12) months thereafter (the "Restriction Period"), the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates.

4.3. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or

(ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.4. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2 or 4.3 hereof.

4.5. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.5, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.6. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.6 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.7. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as a result of (i) the termination of the Executive's employment by the Company or the resignation by the Executive for Good Reason (including all such fees and expenses, if any, incurred in contesting, defending or disputing the basis for any such termination or resignation of employment) or (b) the Executive seeking to obtain or enforce any right or benefit provided by this Employment Agreement; provided, that, if it is determined that the Executive's termination of employment was for Cause, the Executive shall not be entitled to any payment or reimbursement pursuant to this Section 8.2.

8.3. Indemnification. To the extent provided in the Company's Certificate of Incorporation or Bylaws, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.4. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.5. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Employment Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.6. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	CVR Energy, Inc. 2277 Plaza Drive, Suite 500 Sugar Land, TX 77479 Attention: Chief Executive Officer Facsimile: (281) 207-3505
with a copy to:	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Donald P. Carleen, Esq. Facsimile: (212) 859-4000
If to the Executive:	Edmund S. Gross 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Facsimile: (913) 982-5651

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.7. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Kansas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Kansas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the First Amended and Restated Agreement and the Second Amended and Restated Agreement.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or Section 3.2(b), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.14. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company's Board, except as otherwise expressly provided herein. For purposes of any references herein to the Board's designee, any such reference shall be deemed to include the Chief Executive Officer of the Company and such other or additional officers, or committees of the Board, as the Board may expressly designate from time to time for such purpose.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

CVR ENERGY, INC.

/s/ Edmund S. Gross
EDMUND S. GROSS

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: Chief Executive Officer and President

[Signature Page to Third Amended and Restated Employment Agreement]

APPENDIX A

"Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of

the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition: (i) "Shares" means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged and (ii) "Principal Stockholder" means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

THIRD AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT, dated as of January 1, 2011 (the "Employment Agreement"), by and between **CVR ENERGY, INC.**, a Delaware corporation (the "Company"), and **ROBERT W. HAUGEN** (the "Executive").

WHEREAS, the Company and the Executive entered into an amended and restated employment agreement dated December 29, 2007 (the "First Amended and Restated Agreement") and an amended and restated employment agreement dated January 1, 2010 (the "Second Amended and Restated Agreement");

WHEREAS, the Company and the Executive desire to further amend and restate the Second Amended and Restated Agreement in its entirety as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration the sufficiency of which is acknowledged, the parties hereto agree as follows:

Section 1. Employment.

1.1. Term. The Company agrees to employ the Executive, and the Executive agrees to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2011 (the "Commencement Date") and ending on the earlier of (i) the third (3rd) anniversary of the Commencement Date and (ii) the termination or resignation of the Executive's employment in accordance with Section 3 hereof (the "Term").

1.2. Duties. During the Term, the Executive shall serve as Executive Vice President, Refining Operations of the Company and such other or additional positions as an officer or director of the Company, and of such direct or indirect affiliates of the Company ("Affiliates"), as the Executive and the board of directors of the Company (the "Board") or its designee shall mutually agree from time to time. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term commensurate with the Executive's positions as reasonably directed by the Board.

1.3. Exclusivity. During the Term, the Executive shall devote substantially all of Executive's working time and attention to the business and affairs of the Company and its Affiliates, shall faithfully serve the Company and its Affiliates, and shall in all material respects conform to and comply with the lawful and reasonable directions and instructions given to Executive by the Board, or its designee, consistent with Section 1.2 hereof. During the Term, the Executive shall use Executive's best efforts during Executive's working time to promote and serve the interests of the Company and its Affiliates and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit. The provisions of this Section 1.3 shall not be construed to prevent the Executive from investing Executive's personal, private assets as a passive investor in such form or manner as will not require any active services on the part of the Executive in the management or operation of the

affairs of the companies, partnerships, or other business entities in which any such passive investments are made.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Term, the Company shall pay to the Executive a salary at an annual rate of $275,000 which annual salary shall be prorated for any partial year at the beginning or end of the Term and shall accrue and be payable in accordance with the Company's standard payroll policies, as such salary may be adjusted upward by the Compensation Committee of the Board in its discretion (as adjusted, the "Base Salary").

2.2. Annual Bonus. For each completed fiscal year occurring during the Term, the Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus"). Commencing with fiscal year 2011, the target Annual Bonus shall be 120% of the Executive's Base Salary as in effect at the beginning of the Term in fiscal year 2011 and at the beginning of each such fiscal year thereafter during the Term, the actual Annual Bonus to be based upon such individual and/or Company performance criteria established for each such fiscal year by the Compensation Committee of the Board. The Annual Bonus, if any, payable to Executive for a fiscal year will be paid by the Company to the Executive on the last scheduled payroll payment date during such fiscal year; provided, however, that if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Annual Bonus shall be paid at such time as is provided in the applicable plan.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such health, insurance, retirement, and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.4. Paid Time Off. During the Term, the Executive shall be entitled to twenty-five (25) days of paid time off ("PTO") each year.

2.5. Business Expenses. The Company shall pay or reimburse the Executive for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Term in performing Executive's duties under this Employment Agreement upon presentation of documentation and in accordance with the expense reimbursement policy of the Company as approved by the Board and in effect from time to time. Notwithstanding anything herein to the contrary or otherwise, except to the extent any expense or reimbursement described in this Employment Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, any expense or reimbursement described in this Employment Agreement shall meet the following requirements: (i) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the

calendar year following the calendar year in which the applicable expense is incurred; (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit; and (iv) the reimbursements shall be made pursuant to objectively determinable and nondiscretionary Company policies and procedures regarding such reimbursement of expenses.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment for any reason during the Term, and the Executive may voluntarily resign Executive's employment for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time upon not less than thirty (30) days' notice to the other party. Upon the termination or resignation of the Executive's employment with the Company for any reason (whether during the Term or thereafter), the Executive shall be entitled to any Base Salary earned but unpaid through the date of termination or resignation, any earned but unpaid Annual Bonus for completed fiscal years, any unused accrued PTO and any unreimbursed expenses in accordance with Section 2.5 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company Other Than For Cause or Disability; Resignation by the Executive for Good Reason. If during the Term (i) the Executive's employment is terminated by the Company other than for Cause or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts the Executive shall be entitled to the following payments and benefits: (x) the continuation of Executive's Base Salary at the rate in effect immediately prior to the date of termination or resignation (or, in the case of a resignation for Good Reason, at the rate in effect immediately prior to the occurrence of the event constituting Good Reason, if greater) for a period of twelve (12) months (or, if earlier, until and including the month in which the Executive attains age 70) (the "Severance Period") and (y) a Pro-Rata Bonus and (z) to the extent permitted pursuant to the applicable plans, the continuation on the same terms as an active employee (including, where applicable, coverage for the Executive and the Executive's dependents) of medical, dental, vision and life insurance benefits ("Welfare Benefits") the Executive would otherwise be eligible to receive as an active employee of the Company for twelve (12) months or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer (the "Welfare Benefit Continuation Period"); (such payments, the "Severance Payments"). If the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the imposition of an excise tax on the Company pursuant to Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive during the Welfare Benefit Continuation Period, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly during the Welfare Benefit Continuation Period an amount equal to the amount the Company would have paid had the

Executive continued participation in the Company's Welfare Benefits plans. The Company's obligations to make the Severance Payments shall be conditioned upon: (i) the Executive's continued compliance with Executive's obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable release of claims arising in connection with the Executive's employment and termination or resignation of employment with the Company (the "Release") in a form reasonably acceptable to the Company and the Executive that becomes effective not later than forty-five (45) days after the date of such termination or resignation of employment. In the event that the Executive breaches any of the covenants set forth in Section 4 of this Employment Agreement, the Executive will immediately return to the Company any portion of the Severance Payments that have been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(e), the Severance Payments will commence to be paid to the Executive on the forty-fifth (45th) day following the Executive's termination of employment, except that the Pro Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's termination of employment occurs.

(b) Change in Control Termination. If (A) (i) the Executive's employment is terminated by the Company other than for Cause or Disability, or (ii) the Executive resigns for Good Reason, and such termination or resignation described in (i) or (ii) of this Clause (A) occurs within the one (1) year period following a Change in Control, or (B) the Executive's termination or resignation is a Change in Control Related Termination, then, in addition to the Severance Payments described in Section 3.2(a), the Executive shall also be entitled to a payment each month during the Severance Period equal to one-twelfth (1/12th) of the target Annual Bonus for the year in which the Executive's termination or resignation occurs (determined without regard to any reduction in Base Salary or target Annual Bonus percentage subsequent to the Change in Control or in connection with the Change in Control Related Termination) and such amounts shall be deemed to be included in the Severance Payments for purposes of this Agreement.

(c) Retirement. Upon Retirement, the Executive, whether or not Section 3.2(a) also applies but without duplication of benefits, shall be entitled to (i) a Pro-Rata Bonus and (ii) to the extent permitted pursuant to the applicable plans, continuation on the same terms as an active employee of Welfare Benefits the Executive would otherwise be eligible to receive as an active employee of the Company for twenty-four (24) months following the date of the Executive's Retirement or, if earlier, until such time as the Executive becomes eligible for Welfare Benefits from a subsequent employer and, thereafter, shall be eligible to continue participation in the Company's Welfare Benefits plans, provided that such continued participation shall be entirely at the Executive's expense and shall cease when the Executive becomes eligible for Welfare Benefits from a subsequent employer. Notwithstanding the foregoing, (x) if the Executive is not permitted to continue participation in the Company's Welfare Benefit plans pursuant to the terms of such plans or pursuant to a determination by the Company's insurance providers or such continued participation in any plan would result in the plan being discriminatory within the meaning of Section 4980D of the Code, the Company shall use reasonable efforts to obtain individual insurance policies providing the Welfare Benefits to the Executive for such twenty-four (24) months, but shall only be required to pay for such policies an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefit plans; provided, that, if such coverage cannot be obtained, the Company shall pay to the Executive monthly for such twenty-four (24) months an amount equal to the amount the Company would have paid had the Executive continued participation in the Company's Welfare Benefits plans and (y) any Welfare Benefits coverage provided pursuant to this Section 3.2(b), whether through the Company's Welfare Benefit plans or through individual insurance policies, shall be supplemental to any benefits for which the Executive becomes eligible under Medicare, whether or not the Executive actually obtains such Medicare coverage. The Pro-Rata Bonus shall be paid at the time when annual bonuses are paid generally to the Company's senior executives for the year in which the Executive's Retirement occurs.

(d) Definitions. For purposes of this Section 3.2, the following terms shall have the following meanings:

(1) A resignation for "Good Reason" shall mean a resignation by the Executive within thirty (30) days following the date on which the Company has engaged in any of the following: (i) the assignment of duties or responsibilities to the Executive that reflect a material diminution of the Executive's position with the Company; (ii) a relocation of the Executive's principal place of employment that increases the Executive's commute by more than fifty (50) miles; or (iii) a reduction in the Executive's Base Salary, other than across-the-board reductions applicable to similarly situated employees of the Company; provided, however, that the Executive must provide the Company with notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

(2) "Cause" shall mean that the Executive has engaged in any of the following: (i) willful misconduct or breach of fiduciary duty; (ii) intentional failure or refusal to perform reasonably assigned duties after written notice of such willful failure or refusal and the failure or refusal is not corrected within ten (10) business days; (iii) the indictment for, conviction of or entering a plea of guilty or nolo contendere to a crime constituting a felony (other than a traffic violation or other offense or violation outside of the course of employment which does not adversely affect the Company and its Affiliates or their reputation or the ability of the Executive to perform Executive's employment-related duties or to represent the Company and its Affiliates); provided, however, that (A) if the Executive is terminated for Cause by reason of Executive's indictment pursuant to this clause (iii) and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause, and the Executive will be entitled to receive (without duplication of benefits and to the extent permitted by law and the terms of the then-applicable Welfare Benefits plans) the payments and benefits set forth in Section 3.2(a) and, to the extent either or both are applicable, Section 3.2(b) and Section 3.2(c), following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Sections and (B) if such indictment relates to environmental matters and does not allege that the Executive was directly involved in or directly supervised the action(s) forming the basis of the indictment, Cause shall not be deemed to exist under this Employment Agreement by reason of such indictment until the Executive is convicted or enters a plea of guilty or nolo contendere in connection with such indictment; or (iv) material breach of the Executive's covenants in Section 4 of this Employment Agreement or any

material written policy of the Company or any Affiliate after written notice of such breach and failure by the Executive to correct such breach within ten (10) business days, provided that no notice of, nor opportunity to correct, such breach shall be required hereunder if such breach cannot be cured by the Executive.

(3) "Change in Control" shall have the meaning set forth on Appendix A.

(4) "Change in Control Related Termination" shall mean a termination of the Executive's employment by the Company other than for Cause or Executive's resignation for Good Reason, in each case at any time prior to the date of a Change in Control and (A) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason occurred in anticipation of a transaction that, if consummated, would constitute a Change in Control, (B) such termination or the basis for resignation for Good Reason occurred after the Company entered into a definitive agreement, the consummation of which would constitute a Change in Control or (C) the Executive reasonably demonstrates that such termination or the basis for resignation for Good Reason was implemented at the request of a third party who has indicated an intention or has taken steps reasonably calculated to effect a Change in Control.

(5) "Disability" shall mean the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days during any 365 day period irrespective of whether such days are consecutive.

(6) "Pro-Rata Bonus" shall mean, the product of (A) a fraction, the numerator of which is the number of days the Executive is employed by the Company during the year in which the Executive's employment terminates pursuant to Section 3.2(a) or (c) prior to and including the date of the Executive's termination and the denominator of which is 365 and (B)(i) if the Annual Bonus is payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation" within the meaning of Section 162(m) of the Code, an amount for that year equal to the Annual Bonus the Executive would have been entitled to receive had his employment not terminated, based on the actual performance of the Company or the Executive, as applicable, for the full year, or (ii) if the Annual Bonus is not payable pursuant to a plan that is intended to provide for the payment of bonuses that constitute "performance-based compensation", the target Annual Bonus for that year.

(7) "Retirement" shall mean the Executive's termination or resignation of employment for any reason (other than by the Company for Cause or by reason of the Executive's death) following the date the Executive attains age 62.

(e) Section 409A. To the extent applicable, this Employment Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder. If on the date of the Executive's separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Company the Executive is a specified employee (as defined in Code Section 409A and Treasury

Regulation §1.409A-1(i)), no payment constituting the "deferral of compensation" within the meaning of Treasury Regulation §1.409A-1(b) and after application of the exemptions provided in Treasury Regulation §§1.409A-1(b)(4) and 1.409A-1(b)(9)(iii) shall be made to Executive at any time during the six (6) month period following the Executive's separation from service, and any such amounts deferred such six (6) months shall instead be paid in a lump sum on the first payroll payment date following expiration of such six (6) month period. For purposes of conforming this Employment Agreement to Section 409A of the Code, the parties agree that any reference to termination of employment, severance from employment, resignation from employment or similar terms shall mean and be interpreted as a "separation from service" as defined in Treasury Regulation §1.409A-1(h).

3.3. Exclusive Remedy. The foregoing payments upon termination or resignation of the Executive's employment shall constitute the exclusive severance payments due the Executive upon a termination or resignation of Executive's employment under this Employment Agreement.

3.4. Resignation from All Positions. Upon the termination or resignation of the Executive's employment with the Company for any reason, the Executive shall be deemed to have resigned, as of the date of such termination or resignation, from and with respect to all positions the Executive then holds as an officer, director, employee and member of the Board of Directors (and any committee thereof) of the Company and any of its Affiliates.

3.5. Cooperation. For one (1) year following the termination or resignation of the Executive's employment with the Company for any reason, the Executive agrees to reasonably cooperate with the Company upon reasonable request of the Board and to be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company and its Affiliates, provided, however, such period of cooperation shall be for three (3) years, following any such termination or resignation of Executive's employment for any reason, with respect to tax matters involving the Company or any of its Affiliates. The Company shall reimburse the Executive for expenses reasonably incurred in connection with such matters as agreed by the Executive and the Board and the Company shall compensate the Executive for such cooperation at an hourly rate based on the Executive's most recent base salary rate assuming two thousand (2,000) working hours per year; provided, that if the Executive is required to spend more than forty (40) hours in any month on Company matters pursuant to this Section 3.5, the Executive and the Board shall mutually agree to an appropriate rate of compensation for the Executive's time over such forty (40) hour threshold.

Section 4. Unauthorized Disclosure; Non-Competition; Non-Solicitation; Proprietary Rights.

4.1. Unauthorized Disclosure. The Executive agrees and understands that in the Executive's position with the Company and any Affiliates, the Executive has been and will be exposed to and has and will receive information relating to the confidential affairs of the Company and its Affiliates, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information, software, other information concerning the products, promotions, development, financing, expansion plans, business policies and practices of the Company and its Affiliates and other forms of information considered by the Company and its Affiliates to be confidential and in the nature of trade secrets (including, without limitation, ideas, research and development, know-how, formulas, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals) (collectively, the "Confidential Information"); provided, however, that Confidential Information shall not include information which (i) is or becomes generally available to the public not in violation of this Employment Agreement or any written policy of the Company; or (ii) was in the Executive's possession or knowledge on a non-confidential basis prior to such disclosure. The Executive agrees that at all times during the Executive's employment with the Company and thereafter, the Executive shall not disclose such Confidential Information, either directly or indirectly, to any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof (each, for purposes of this Section 4, a "Person") without the prior written consent of the Company and shall not use or attempt to use any such information in any manner other than in connection with Executive's employment with the Company, unless required by law to disclose such information, in which case the Executive shall provide the Company with written notice of such requirement as far in advance of such anticipated disclosure as possible. Executive's confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination or resignation of the Executive's employment with the Company, the Executive shall promptly supply to the Company all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data and any other tangible product or document which has been produced by, received by or otherwise submitted to the Executive during or prior to the Executive's employment with the Company, and any copies thereof in Executive's (or capable of being reduced to Executive's) possession.

4.2. Non-Competition. By and in consideration of the Company's entering into this Employment Agreement and the payments to be made and benefits to be provided by the Company hereunder, and in further consideration of the Executive's exposure to the Confidential Information of the Company and its Affiliates, the Executive agrees that the Executive shall not, during the Term and for a period of twelve (12) months thereafter (the "Restriction Period"), directly or indirectly, own, manage, operate, join, control, be employed by, or participate in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as a stockholder, director, officer, consultant, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below); provided, that in no event shall ownership of one percent (1%) or less of the outstanding securities of any class of any issuer whose securities are registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), standing alone, be prohibited by this Section 4.2, so long as the Executive does not have, or exercise, any rights to manage or operate the business of such issuer other than rights as a stockholder thereof. For purposes of this paragraph, "Restricted Enterprise" shall mean any Person that is actively engaged in any business which is either (i) in competition with the business of the Company or any of its Affiliates conducted during the preceding twelve (12) months (or following the Term, the twelve (12) months preceding the last day of the Term), or (ii) proposed to be conducted by the Company or any of its Affiliates in the Company's or Affiliate's business plan as in effect at that time (or following the Term, the business plan as in effect as of the last day of the Term); provided, that (x) with respect to any Person that is actively engaged in the refinery business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its refinery business and (y) with respect to any Person that is actively engaged in the fertilizer business, a Restricted Enterprise shall only include such a Person that operates or markets in any geographic area in which the Company or any of its Affiliates operates or markets with respect to its fertilizer business. During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status. For the avoidance of doubt, a Restricted Enterprise shall not include any Person or division thereof that is engaged in the business of supplying (but not refining) crude oil or natural gas.

4.3. Non-Solicitation of Employees. During the Restriction Period, the Executive shall not directly or indirectly contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Company or any of its Affiliates.

4.4. Non-Solicitation of Customers/Suppliers. During the Restriction Period, the Executive shall not (i) contact, induce or solicit (or assist any Person to contact, induce or solicit) any Person which has a business relationship with the Company or of any of its Affiliates in order to terminate, curtail or otherwise interfere with such business relationship or (ii) solicit, other than on behalf of the Company and its Affiliates, any Person that the Executive knows or should have known (x) is a current customer of the Company or any of its Affiliates in any geographic area in which the Company or any of its Affiliates operates or markets or (y) is a Person in any geographic area in which the Company or any of its Affiliates operates or markets with respect to which the Company or any of its Affiliates has, within the twelve (12) months prior to the date of such solicitation, devoted more than de minimis resources in an effort to cause such Person to become a customer of the Company or any of its Affiliates in that geographic area. For the avoidance of doubt, the foregoing does not preclude the Executive from soliciting, outside of the geographic areas in which the Company or any of its Affiliates operates or markets, any Person that is a customer or potential customer of the Company or any of its Affiliates in the geographic areas in which it operates or markets.

4.5. Extension of Restriction Period. The Restriction Period shall be extended for a period of time equal to any period during which the Executive is in breach of any of Sections 4.2, 4.3 or 4.4 hereof.

4.6. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by Executive, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliates, the Executive assigns all of Executive's right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C §

101 et seq. are owned upon creation by the Company and/or its applicable Affiliates as the Executive's employer. Whenever requested to do so by the Company, the Executive shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with Executive's execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that Executive holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.6, the Executive hereby irrevocably designates and appoints the Company, its Affiliates, and their duly authorized officers and agents as the Executive's agent and attorney in fact to act for and in the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section with the same legal force and effect as if executed by the Executive.

4.7. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the parties hereto agree not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys. Notwithstanding anything in this Section 4.7 to the contrary, the parties hereto (and each of their respective employees, representatives, or other agents) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Employment Agreement, and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure; provided that this sentence shall not permit any Person to disclose the name of, or other information that would identify, any party to such transactions or to disclose confidential commercial information regarding such transactions.

4.8. Remedies. The Executive agrees that any breach of the terms of this Section 4 would result in irreparable injury and damage to the Company and its Affiliates for which the Company and its Affiliates would have no adequate remedy at law; the Executive therefore also agrees that in the event of said breach or any threat of breach, the Company and its Affiliates shall be entitled to an immediate injunction and restraining order to prevent such breach and/or threatened breach and/or continued breach by the Executive and/or any and all Persons acting for and/or with the Executive, without having to prove damages, in addition to any other remedies to which the Company and its Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments made by the Company to the Company. The terms of this paragraph shall not prevent the Company or its Affiliates from pursuing any other available remedies for any breach or threatened breach hereof, including, without limitation, the recovery of damages from the Executive. The Executive and the Company further agree that the provisions of the covenants contained in this Section 4 are reasonable and necessary to protect the businesses of the

Company and its Affiliates because of the Executive's access to Confidential Information and Executive's material participation in the operation of such businesses.

Section 5. Representation.

The Executive represents and warrants that (i) Executive is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits Executive's ability to enter into and fully perform Executive's obligations under this Employment Agreement and (ii) Executive is not otherwise unable to enter into and fully perform Executive's obligations under this Employment Agreement.

Section 6. Withholding.

All amounts paid to the Executive under this Employment Agreement during or following the Term shall be subject to withholding and other employment taxes imposed by applicable law.

Section 7. Effect of Section 280G of the Code.

7.1. Payment Reduction. Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax; provided, however, that the Company shall use its reasonable best efforts to obtain shareholder approval of the Payments provided for in this Employment Agreement in a manner intended to satisfy requirements of the "shareholder approval" exception to Section 280G of the Code and the regulations promulgated thereunder, such that payment may be made to the Executive of such Payments without the application of an Excise Tax. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (x) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (z) hereof), (y) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (z) hereof) and (z) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

7.2. Determination of Amount of Reduction (if any). The determination of whether the Payments shall be reduced as provided in Section 7.1 and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by the Company from among the four (4) largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten (10) days after the Executive's final day of employment. If the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 8. Miscellaneous.

8.1. Amendments and Waivers. This Employment Agreement and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by the parties hereto; provided, that, the observance of any provision of this Employment Agreement may be waived in writing by the party that will lose the benefit of such provision as a result of such waiver. The waiver by any party hereto of a breach of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach, except as otherwise explicitly provided for in such waiver. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.2. Indemnification. To the extent provided in the Company's Certificate of Incorporation or Bylaws, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive regarding indemnification, the Company shall indemnify the Executive for losses or damages incurred by the Executive as a result of causes of action arising from the Executive's performance of duties for the benefit of the Company, whether or not the claim is asserted during the Term.

8.3. Assignment. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void.

8.4. Payments Following Executive's Death. Any amounts payable to the Executive pursuant to this Employment Agreement that remain unpaid at the Executive's death shall be paid to the Executive's estate.

8.5. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications provided for under the terms of this Employment

Agreement shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be sent by (i) personal delivery (including receipted courier service) or overnight delivery service, (ii) facsimile during normal business hours, with confirmation of receipt, to the number indicated, (iii) reputable commercial overnight delivery service courier or (iv) registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

If to the Company:	CVR Energy, Inc. 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Attention: General Counsel Facsimile: (913) 982-5651
with a copy to:	Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 Attention: Donald P. Carleen, Esq. Facsimile: (212) 859-4000
If to the Executive:	Robert W. Haugen 2277 Plaza Drive, Suite 500 Sugar Land, TX 77479 Facsimile: (281) 207-3501

All such notices, requests, consents and other communications shall be deemed to have been given when received. Any party may change its facsimile number or its address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other parties hereto notice in the manner then set forth.

8.6. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the State of Texas, without giving effect to the conflicts of law principles thereof. Each of the parties hereto irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of Texas (collectively, the "Selected Courts") for any action or proceeding relating to this Employment Agreement, agrees not to commence any action or proceeding relating thereto except in the Selected Courts, and waives any forum or venue objections to the Selected Courts.

8.7. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Employment Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Employment Agreement in that jurisdiction or the validity or enforceability of this Employment Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.8. Entire Agreement. From and after the Commencement Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates including, without limitation, the First Amended and Restated Agreement and the Second Amended and Restated Agreement.

8.9. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.10. Binding Effect. This Employment Agreement shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.11. General Interpretive Principles. The name assigned this Employment Agreement and headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include", "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.12. Mitigation. Notwithstanding any other provision of this Employment Agreement, (a) the Executive will have no obligation to mitigate damages for any breach or termination of this Employment Agreement by the Company, whether by seeking employment or otherwise and (b) except for Welfare Benefits provided pursuant to Section 3.2(a) or Section 3.2(b), the amount of any payment or benefit due the Executive after the date of such breach or termination will not be reduced or offset by any payment or benefit that the Executive may receive from any other source.

8.13. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the Company's Board, except as otherwise expressly provided herein. For purposes of any references herein to the Board's designee, any such reference shall be deemed to include the Chief Executive Officer of the Company and such other or additional officers, or committees of the Board, as the Board may expressly designate from time to time for such purpose.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

CVR ENERGY, INC.

/s/ Robert W. Haugen
ROBERT W. HAUGEN

By: /s/ John J. Lipinski
Name: John J. Lipinski
Title: Chief Executive Officer and President

[Signature Page to Third Amended and Restated Employment Agreement]

APPENDIX A

"Change in Control" means the occurrence of any of the following:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term "person" is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than thirty percent (30%) of (i) the then-outstanding Shares or (ii) the combined voting power of the Company's then-outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred pursuant to this paragraph (a), the acquisition of Shares or Voting Securities in a Non-Control Acquisition (as hereinafter defined) shall not constitute a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person the majority of the voting power, voting equity securities or equity interest of which is owned, directly or indirectly, by the Company (for purposes of this definition, a "Related Entity"), (ii) the Company, any Principal Stockholder or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction (as hereinafter defined);

(b) The consummation of:

(i) A merger, consolidation or reorganization (x) with or into the Company or (y) in which securities of the Company are issued (a "Merger"), unless such Merger is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a Merger in which:

(A) the shareholders of the Company immediately before such Merger own directly or indirectly immediately following such Merger at least a majority of the combined voting power of the outstanding voting securities of (1) the corporation resulting from such Merger (the "Surviving Corporation"), if fifty percent (50%) or more of the combined voting power of the then outstanding voting securities by the Surviving Corporation is not Beneficially Owned, directly or indirectly, by another Person (a "Parent Corporation") or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation;

(B) the individuals who were members of the Board immediately prior to the execution of the agreement providing for such Merger constitute at least a majority of the members of the board of directors of (1) the Surviving Corporation, if there is no Parent Corporation, or (2) if there is one or more than one Parent Corporation, the ultimate Parent Corporation; and

(C) no Person other than (1) the Company or another corporation that is a party to the agreement of Merger, (2) any Related Entity, (3) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to the Merger, was maintained by the Company or any Related Entity, or (4) any Person who, immediately prior to the Merger, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Shares or Voting Securities, has Beneficial Ownership, directly or indirectly, of thirty percent (30%) or more of

the combined voting power of the outstanding voting securities or common stock of (x) the Surviving Corporation, if there is no Parent Corporation, or (y) if there is one or more than one Parent Corporation, the ultimate Parent Corporation.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (other than (x) a transfer to a Related Entity or (y) the distribution to the Company's shareholders of the stock of a Related Entity or any other assets).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Shares or Voting Securities as a result of the acquisition of Shares or Voting Securities by the Company which, by reducing the number of Shares or Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons; provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Shares or Voting Securities by the Company and, after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Shares or Voting Securities and such Beneficial Ownership increases the percentage of the then outstanding Shares or Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

For purposes of this definition: (i) "Shares" means the common stock, par value $.01 per share, of the Company and any other securities into which such shares are changed or for which such shares are exchanged and (ii) "Principal Stockholder" means each of Kelso Investment Associates VII, L.P., a Delaware limited partnership, KEP VI, LLC, a Delaware limited liability company, GS Capital Partners V Fund, L.P., a Delaware limited partnership, GS Capital Partners V Offshore Fund, L.P., a Cayman Islands exempted limited partnership, GS Capital Partners V Institutional, L.P., a Delaware limited partnership and GS Capital Partners V GmbH & Co. KG, a German limited partnership.

Exhibit 10.9
Redacted Version

PORTIONS OF THIS AGREEMENT DENOTED WITH THREE ASTERISKS (***) HAVE BEEN OMITTED AND WILL BE SUBJECT TO A REQUEST FOR CONFIDENTIAL TREATMENT WITH THE SECURITIES AND EXCHANGE COMMISSION

Crude Oil Supply Agreement

Between

Vitol Inc.

And

Coffeyville Resources Refining & Marketing, LLC

Dated March 30, 2011

TABLE OF CONTENTS

Crude Oil Supply Agreement

This Crude Oil Supply Agreement is entered into effective as of March 30, 2011, between Vitol Inc., a company incorporated under the laws of Delaware (**"Vitol"**), and Coffeyville Resources Refining & Marketing, LLC., a limited liability company formed under the laws of Delaware (**"Coffeyville"**) (each referred to individually as a **"Party"** or collectively as **"Parties"**).

WHEREAS Coffeyville desires to have Vitol supply Crude Oil for processing at its Refinery located in Coffeyville, Kansas beginning on the Commencement Date and throughout the Term of this Agreement, and Vitol is willing to supply Crude Oil to Coffeyville pursuant to the terms hereof;

NOW, **THEREFORE**, in consideration of the premises and the respective promises, conditions, terms and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Vitol and Coffeyville do hereby agree as follows:

ARTICLE 1
DEFINITIONS AND CONSTRUCTION

1.1 Definitions. For purposes of this Agreement, including the foregoing recitals, the following terms shall have the meanings indicated below:

"Adequate Assurance" has the meaning set forth in Section 11.3.

"Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by such Person, any entity that controls, directly or indirectly, such Person, or any entity directly or indirectly under common control with such Person. For this purpose, "control" of any entity or Person means ownership of a majority of the issued shares or voting power or control in fact of the entity or Person.

"Agreed Costs" means, for purposes of calculating the Transfer Price, any transportation or other costs that the Parties mutually deem to apply with respect to the specified Transaction. It is the intent of the Parties that Agreed Costs shall only be applicable with the consent of both Parties.

"Agreement" or "this Agreement" means this Crude Oil Supply Agreement, as may be amended, modified, supplemented, extended, renewed or restated from time to time in accordance with the terms hereof, including any Exhibits and Schedules attached hereto.

"API" means the American Petroleum Institute.

"Applicable Law" means (i) any law, statute, regulation, code, ordinance, license, decision, order, writ, injunction, decision, directive, judgment, policy, decree and any judicial or administrative interpretations thereof, (ii) any agreement, concession or arrangement with any Governmental Authority or (iii) any applicable license, permit or compliance requirement applicable to either Party, including Environmental Laws.

"Bankrupt" means a Person that (i) is dissolved, other than pursuant to a consolidation, amalgamation or merger, (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, (v) has a resolution passed for its winding-up, official management or liquidation, other than pursuant to a consolidation, amalgamation or merger, (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets, (vii) has a secured party take possession of all or substantially all of its assets, or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets, (viii) causes or is subject to any event with respect to it which, under Applicable Law, has an analogous effect to any of the events specified in clauses (i) through (vii) above, inclusive, or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in any of the foregoing acts.

"Bankruptcy Code" means Title 11, U.S. Code.

"Barrel" means forty-two (42) net U.S. gallons, measured at 60° F.

"Base Interest Rate" means the lesser of (i) the applicable three - month LIBOR rate of interest, as adjusted from time to time, and (ii) the maximum rate of interest permitted by Applicable Law. LIBOR shall be established on the first day on which a determination of the Base Interest Rate is to be made under this Agreement and shall be adjusted daily based on available LIBOR quotes.

"B/L Volumes" has the meaning set forth in Section 8.1.

"Broome Station" means the pump station owned by CRCT located near Caney, Kansas, approximately twenty-two (22) miles west of the Refinery where the Plains pipeline delivers crude oil into the CRCT pipeline.

"Business Day" means a twenty-four (24)-hour period ending at 5:00 p.m., at the prevailing time in the Eastern Time zone, on a weekday on which banks are open for general commercial business in New York City.

"Catastrophic Loss" means any loss of Crude Oil resulting from a spill, fire, explosion or other casualty loss.

"Coffeyville" has the meaning set forth in the preamble of this Agreement.

"Coffeyville Guaranty" means the guaranty issued by Coffeyville's parent entity, CVR Energy, Inc., in the form attached hereto as Exhibit A.

"Coffeyville's Operational Rights" means Coffeyville's rights and remedies with respect to the movement and purchase of Crude Oil after an Event of Default by Vitol, which shall include the right (i) to store Crude Oil in the Designated Tanks and (ii) to instruct Pipeline Operators and Terminal Operators with respect to the delivery of Crude Oil to the Refinery.

"Commencement Date" means the first date above written or such other date as is mutually agreed by the Parties.

"Confirmation" means a written communication confirming the terms of a Third Party Contract between Vitol and a Counterparty, for the sale of Crude Oil, which shall specify the price, volume, grade, quality, quantity, delivery point, date of delivery, identity of the Counterparty and payment and performance terms.

"Contract Price" shall mean the purchase price for Crude Oil specified in a Third Party Contract.

"Counterparty" means, with respect to a Third Party Contract, the third party suppliers of Crude Oil to be purchased by Vitol and sold to Coffeyville pursuant to the terms hereof.

"Cover Exposure" has the meaning set forth in Section 11.4.

"CRCT" means Coffeyville Resources Crude Transportation, LLC, an Affiliate of Coffeyville.

"Crude Oil" means all crude oil that Vitol purchases and sells to Coffeyville or for which Vitol assumes the payment obligation pursuant to this Agreement. Crude Oil does not, however, include Gathered Crude.

"Crude Oil Gains and Losses" means any difference (positive or negative) for a stated period between the volume of Crude Oil purchased by Vitol from one or more Counterparties and the corresponding volume that is actually delivered to Coffeyville at the Delivery Point, which results from in-transit gains and losses excluding any Catastrophic Loss.

"Crude Oil Lot" shall mean (i) the discrete volume of Crude Oil acquired by Vitol from a Counterparty pursuant to a Third Party Contract and (ii) any Crude Oil Lots that Coffeyville elects to pool and treat as a single Crude Oil Lot. For pricing purposes, Coffeyville may only pool Crude Oil Lots that (x) are of the same grade, and (y) are based on the same WTI Contract month. For ease of administration, pooled Crude Oil Lots will be volumetrically averaged and priced as a single Crude Oil Lot. The Parties acknowledge and agree that a Crude Oil Lot may be comprised of more than one parcel (if multiple WTI Contracts are selected) and that such individual parcels of a Crude Oil Lot shall be identified in a given Crude Oil Withdrawal for pricing purposes.

"Crude Oil Withdrawal" has the meaning set forth in Section 7.2.

"CT" means the prevailing time in the Central Time zone.

"Daily Capital Charge" has the meaning set forth in Section 9.4.

"Day Charge" means the Base Interest Rate (***), calculated on the basis of a 360-day year.

"Deemed L/C Fee" means the fee applicable to all letter of credit transactions entered into in connection with Transactions. For ease of administration, the Parties deem such fee to be equal to (***)% of the principal amount of the subject letter of credit.

"Default" or **"Event of Default"** means an occurrence of the events or circumstances described in Article 16.

"Defaulting Party" has the meaning set forth in Section 16.2.

"Delivery Point" means the outlet flange of the meter at the connection between the Plains Pipeline System and the Broome Station storage facility.

"Designated Affiliate" means Coffeyville Resources, LLC.

"Designated Tanks" means the tanks set forth on Schedule A in Cushing, Oklahoma and the pipeline connecting the Designated Tanks to the Delivery Point. The Designated Tanks shall only contain Crude Oil

"Effective Date" means the date first written above, upon which this Agreement becomes binding upon and enforceable against the Parties.

"Eligible Collateral" means, at Coffeyville's discretion, (a) a Letter of Credit, for a duration and in an amount sufficient to cover the Cover Exposure, (b) a prepayment in an amount equal to the Cover Exposure, or (c) a surety instrument for a duration and in an amount reasonably sufficient to cover a value up to the Cover Exposure, in form and substance reasonably satisfactory to Vitol and issued by a financial institution or insurance company reasonably acceptable to Vitol.

“Environmental Law” means any existing or past Applicable Law, policy, judicial or administrative interpretation thereof or any legally binding requirement that governs or purports to govern the protection of persons, natural resources or the environment (including the protection of ambient air, surface water, groundwater, land surface or subsurface strata, endangered species or wetlands), occupational health and safety and the manufacture, processing, distribution, use, generation, handling, treatment, storage, disposal, transportation, release or management of solid waste, industrial waste or hazardous substances or materials.

“**FCPA**” has the meaning set forth in Section 27.8.

“**Final Inventory”** shall have the meaning set forth in Section 17.1.

“**Forbearance Period**” has the meaning set forth in Section 16.4.

“Force Majeure” means any cause or event reasonably beyond the control of a Party, including fires, earthquakes, lightning, floods, explosions, storms, adverse weather, landslides and other acts of natural calamity or acts of God; navigational accidents or maritime peril; vessel damage or loss; strikes, grievances, actions by or among workers or lock-outs (whether or not such labor difficulty could be settled by acceding to any demands of any such labor group of individuals and whether or not involving employees of Coffeyville or Vitol); accidents at, closing of, or restrictions upon the use of mooring facilities, docks, ports, pipelines, harbors, railroads or other navigational or transportation mechanisms; disruption or breakdown of, explosions or accidents to wells, storage plants, terminals, machinery or other facilities; acts of war, hostilities (whether declared or undeclared), civil commotion, embargoes, blockades, terrorism, sabotage or acts of the public enemy; any act or omission of any Governmental Authority; good faith compliance with any order, request or directive of any Governmental Authority; curtailment, interference, failure or cessation of supplies reasonably beyond the control of a Party; or any other cause reasonably beyond the control of a Party, whether similar or dissimilar to those above and whether foreseeable or unforeseeable, which, by the exercise of due diligence, such Party could not have been able to avoid or overcome. For the avoidance of doubt, the termination or expiration of any Terminal Agreement, unless caused by the fault of a Party, shall be an event of Force Majeure provided that substantially similar substitute tankage has not been provided by Coffeyville.

“GAAP” means generally accepted accounting principles in the United States, applied consistently with prior practices.

“Gathered Crude” means the crude oil acquired by Coffeyville in Kansas, Missouri, North Dakota, Oklahoma, Wyoming and all states adjacent to Kansas, Missouri, North Dakota, Oklahoma and Wyoming. Notwithstanding anything in this Agreement to the contrary, any crude oil which is transported in whole or in part via railcar or truck shall be considered Gathered Crude for purposes of this Agreement.

"Governmental Authority" means any federal, state, regional, local or municipal governmental body, agency, instrumentality, authority or entity established or controlled by a government or subdivision thereof, including any legislative, administrative or judicial body, or any person purporting to act therefor, and shall include NYMEX.

"Indemnified Party" has the meaning set forth in Section 18.3.

"Indemnifying Party" has the meaning set forth in Section 18.3.

"Independent Inspector" means an independent third party inspection company that is generally recognized in the petroleum industry as experienced in measuring the quantity and quality of petroleum products. Unless specifically provided otherwise in this Agreement, the Parties shall mutually appoint the Independent Inspector and the costs thereof shall be included in the calculation of the Transfer Price.

"Initial Term" has the meaning set forth in Section 3.1.

"Keystone" means TransCanada Keystone Pipeline Limited Partnership ("Keystone Canada") and TransCanada Keystone Pipeline, LP ("Keystone US") (collectively "Keystone").

"Keystone Agreement" has the meaning set forth in Section 6.6(d).

"Keystone Pipeline" means the crude oil pipeline systems of Keystone extending from Hardisty (Alberta – Canada) to Cushing (Oklahoma – USA).

"**Letter of Credit**" means an originally signed or telex of an irrevocable standby letter of credit issued in favor of Vitol in form and substance satisfactory to Vitol by a bank acceptable to Vitol and delivered to Vitol in an amount acceptable to Vitol, for which all costs incurred in the issuance thereof have been or will be paid by Coffeyville.

"Liabilities" means any losses, claims, charges, damages, deficiencies, assessments, interests, penalties, costs and expenses of any kind (including reasonable attorneys' fees and other fees, court costs and other disbursements), directly or indirectly arising out of or related to any claim, suit, proceeding, judgment, settlement or judicial or administrative order, including any Liabilities with respect to Environmental Laws.

"LIBOR" means the London Interbank Offered Rate for three-month U.S. dollar deposits (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m. (London, England time), two (2) Business Days prior to the first (1st) day of such three-month period. If for any reason such rate is not available, LIBOR shall be, for any specified period, the rate per annum reasonably determined by Vitol as the rate of interest at which U.S. Dollar deposits in the approximate subject amount would be offered by major banks in the London interbank Eurodollar market at their request at or about 10:00

a.m. (London, England time) two (2) Business Days prior to the first day of such period for a term comparable to such period.

"Liquidation Amount" has the meaning set forth in Section 17.2.

"Monthly Crude Nomination" has the meaning set forth in Section 7.1.

"Non-Merchantable Volumes" means the volume of crude oil below the low suction line in the Designated Tanks.

"NYMEX" means the New York Mercantile Exchange.

"Origination Fee" shall mean a fee payable by Coffeyville to Vitol in the amount of $(***) per Barrel.

"Party" or **"Parties"** has the meaning set forth in the preamble of this Agreement.

"Payment Terms Adjustment" has the meaning set forth in Section 9.4.

"Performing Party" has the meaning set forth in Section 16.2.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, joint stock company or any other private entity or organization, Governmental Authority, court or any other legal entity, whether acting in an individual, fiduciary or other capacity.

"Pipeline Operator" means the entity that schedules and tracks Crude Oil in a Pipeline System.

"Pipeline System" means the Seaway Pipeline System, the Plains Pipeline System or any other pipeline system that may be used to transport Crude Oil to the Delivery Point.

"Plains" means Plains Pipeline, L.P.

"Plains Marketing" means Plains Marketing, L.P.

"Plains Pipeline System" means the crude oil pipeline transportation system and related facilities located between Cushing, Oklahoma and Broome Station that are owned and operated by Plains, including the pipeline, injection stations, breakout storage tanks, crude oil receiving and delivery facilities and any associated or adjacent facility.

"Potential Event of Default" means any Event of Default with which notice or the passage of time would constitute an Event of Default.

"Provisional Invoice" has the meaning set forth in Section 9.2(a).

"**Provisional Transfer Price"** has the meaning set forth in Section 9.2(b).

"**Quality Factor**" has the meaning set forth in Section 9.2(b).

"Refinery" means the Coffeyville, Kansas crude oil refinery and all of the related facilities owned and operated by Coffeyville or its Affiliate, including the processing, storage, receiving, loading and delivery facilities, piping and related facilities, together with existing or future modifications or additions, and any associated or adjacent facility that is used by Coffeyville to carry out the terms of this Agreement.

"Renewal Term" has the meaning set forth in Section 3.2.

"Scheduled Maintenance" means (i) regularly scheduled maintenance of the Refinery required or suggested by manufacturers or operators in the refining industry and (ii) maintenance that is otherwise prudent in accordance with standard industry operating and maintenance practices.

"Seaway Pipeline System" means the crude oil pipeline transportation system and related facilities located between Seaway Crude Pipeline Company's wharfage facilities in Freeport, Texas, and Cushing, Oklahoma that are owned by Seaway Crude Pipeline Company and operated by TEPPCO Crude Pipeline, L.P., including the pipeline, injection stations, breakout storage tanks, crude oil receiving and delivery facilities and any associated or adjacent facility.

"Spearhead Pipeline" means the pipeline system of that name that transports crude oil originating in Canada to Cushing, Oklahoma.

"SEC" means the Securities and Exchange Commission.

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) of Coffeyville in respect of borrowed money.

"Specified Transaction" means (i) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Vitol (or any Designated Affiliate of Vitol) and Coffeyville (or any Designated Affiliate of Coffeyville) (a) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, commodity spot transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, weather swap, weather derivative, weather option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (b) which is a type of transaction that is similar to any transaction referred to in clause (a) that is currently, or in the future becomes, recurrently entered into the financial markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value, (ii) any combination of these transactions and (iii) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation; provided that, without limiting the generality of the foregoing, Specified Transaction shall include any "Transaction" that is subject to an ISDA Master Agreement between Vitol and Coffeyville, including any confirmations subject thereto.

"Specified Transaction Termination Amount" has the meaning set forth in Section 17.4.

"Taxes" means any and all foreign, federal, state and local taxes (other than taxes on income), duties, fees and charges of every description on or applicable to Crude Oil, including all gross receipts, environmental, spill, ad valorem and sales and use taxes, however designated, paid or incurred directly or indirectly with respect to the ownership, purchase, exchange, use, transportation, resale, importation or handling of Crude Oil or related WTI Contracts, including for any Tax, any interest, penalties or additions to tax attributable to any such Tax, including penalties for the failure to file any tax return or report.

"Temporary Assignment" means any of the agreements among Vitol, Coffeyville and a Terminal Operator, pursuant to which any Terminal Agreement is temporarily assigned by Coffeyville to Vitol in accordance with the terms of the Temporary Assignment, in the form attached hereto as Exhibit C.

"Term" has the meaning set forth in Section 3.2.

"Terminal Agreement" or **"Terminal Agreements**" means individually, or collectively, as the case may be, the (i) Lease Storage Agreement between Enterprise Crude Pipeline, LLC and Coffeyville dated March 1, 2011; (ii) Terminalling Agreement dated as of October 15, 2007 between Plains Marketing and Coffeyville, and (iii) Amended and Restated Terminalling Agreement dated as of October 15, 2007 between Plains Marketing and Coffeyville.

"Terminal Operator" or **"Terminal Operators"** means individually, or collectively, as the case may be, Enterprise Crude Pipeline LLC and Plains Marketing.

"Termination Date" has the meaning set forth in Section 17.2.

"Termination Payment" has the meaning set forth in Section 17.2.

"Third Party Claim" has the meaning set forth in Section 18.3.

"Third Party Contract" means a contract entered into between Vitol and a Counterparty for the supply of Crude Oil to Coffeyville.

"Transactions" means any agreement by the Parties to purchase and sell Crude Oil pursuant to the terms of this Agreement.

"Transfer Price" has the meaning set forth in Section 9.1.

"Transportation and Direct Costs" has the meaning set forth in Section 9.1(d).

"True-Up Invoice" has the meaning set forth in Section 9.3.

"TSA" has the meaning set forth in Section 6.6(d).

"UCC" means the New York Uniform Commercial Code.

"Undrawn Letters of Credit" means, as of any date, the aggregate amount that Vitol may draw as of such date under all outstanding standby letters of credit in form and substance reasonably satisfactory to Vitol, in favor of Vitol, issued or confirmed by banks reasonably acceptable to Vitol then held by Vitol as credit support for the performance of Coffeyville's obligations hereunder; provided that, for purposes of this definition, the available amount under any outstanding standby letter of credit that expires 30 days or less after such date shall be deemed to be zero.

"Vitol" has the meaning set forth in the preamble to this Agreement.

"Vitol Guaranty" means the guaranty issued by Vitol's parent entity, Vitol Holdings BV, in the form attached hereto as Exhibit B.

"Weekly True-Up Payment" has the meaning set forth in Section 9.3.

"Working Capital Balance" means for each day in the applicable Working Capital Period, the cumulative balance during such Working Capital Period, calculated as the difference between (i) the amount of cash received from Coffeyville for the purchase of Crude Oil and (ii) the amount of cash expended by Vitol to purchase Crude Oil for Coffeyville during such Working Capital Period. It is the intention of the Parties that the Working Capital Balance shall be calculated as a running balance and that a negative balance shall indicate that more money was expended by Vitol during such period than received, and conversely, a positive balance shall indicate that more money was received by Vitol during such period than expended.

"Working Capital Period" has the meaning set forth in Section 9.4.

"Working Capital Statement" has the meaning set forth in Section 9.4.

"WTI" means West Texas Intermediate crude oil and any crude oil meeting the specifications of the WTI NYMEX futures contract for delivery at Cushing, Oklahoma.

"WTI Contracts" means WTI NYMEX futures contracts on which the WTI Price component of the Transfer Price is based.

"WTI Differential" has the meaning set forth in Section 9.1(c).

"WTI Price" has the meaning set forth in Section 9.1(a).

1.2 Interpretation.

(a) All references in this Agreement to Exhibits, Schedules, Articles and Sections refer to the corresponding Exhibits, Schedules, Articles and Sections of or to this Agreement unless expressly provided otherwise. All headings herein are intended solely for convenience of reference and shall not affect the meaning or interpretation of the provisions of this Agreement.

(b) All Exhibits and Schedules to this Agreement are attached hereto and by this reference incorporated herein for all purposes.

(c) Unless expressly provided otherwise, the words "this Agreement," "herein," "hereby," "hereunder" and "hereof," and words of similar import, refer to this Agreement as a whole and not to any particular Section. The words "this Article" and "this Section," and words of similar import, refer only to the Article or Section hereof in which such words occur. The word "including" as used herein means "including without limitation" and does not limit the preceding words or terms.

(d) The Parties acknowledge that they and their counsel have reviewed and revised this Agreement and that no presumption of contract interpretation or construction shall apply to the advantage or disadvantage of the drafter of this Agreement.

ARTICLE 2
TENOR OF THE AGREEMENT

During the Term of this Agreement, the Parties will enter into numerous transactions for the purchase and sale of Crude Oil. The Transfer Price for Transactions shall be a floating price based on the mutually agreed index of market prices (adjusted for contract differentials and index rolls), plus Vitol's costs to acquire and deliver Crude Oil, and plus the Origination Fee, all as more specifically set forth in Article 9. It is the intention of the Parties that Vitol shall employ its global crude oil supply and distribution organization in an endeavor to identify and present to Coffeyville opportunities for Vitol to purchase for Coffeyville domestic, foreign and Canadian crude oil. Notwithstanding the foregoing, Coffeyville shall also have the right to identify and negotiate the terms and prices of Crude Oil to be acquired hereunder and present such Transactions to Vitol for execution thereof; provided that, such Transactions are in accordance with the provisions of this Agreement. Vitol shall not include any assessments for general marketing overhead to the Transfer Price. While Coffeyville intends to take responsibility to acquire Gathered Crude in its own name and on its own behalf, Vitol shall retain the right to present opportunities to Coffeyville for domestic Crude Oil. The Parties shall mutually cooperate in coordinating such Crude Oil supply activities so as to avoid pricing and logistic disruptions associated with both Coffeyville and Vitol approaching the same potential suppliers and shippers. Coffeyville shall maintain the right to conduct market enquiries; however, regardless of whether the opportunity is identified by Vitol or Coffeyville, all Crude Oil shall be purchased by Vitol from the Counterparty and resold to Coffeyville pursuant to the terms of this Agreement. For greater certainty, Vitol shall have the sole right to hold, transport and sell all of its Crude Oil as it deems fit, and in no event shall Coffeyville be entitled to claim ownership rights in any Crude Oil until purchased by Coffeyville in accordance with the terms of this Agreement. Notwithstanding the foregoing, Vitol shall be obligated to supply Crude Oil of equal quantity and of the same quality and grade at the applicable Transfer Price and at the time designated by Coffeyville for any Crude Oil acquired or agreed to be dedicated in anticipation of supply to Coffeyville pursuant to this Agreement; such obligation to supply being subject to Coffeyville's compliance with nomination, payment and all other terms of this Agreement.

ARTICLE 3
TERM OF AGREEMENT

3.1 Initial Term. This Agreement shall become effective on the Effective Date and shall continue until December 31, 2013 (**"Initial Term"**), unless (i) terminated earlier pursuant to the terms of this Agreement or (ii) terminated by Coffeyville at its sole and absolute discretion by written notice to Vitol provided on or before May 1, 2012, which termination would be effective December 31, 2012.

3.2 Renewal. Subject to the provisions of Section 3.1 above, the Initial Term shall automatically be extended for one or more one-year terms (each a **"Renewal Term"** and collectively the **"Renewal Terms"**), unless either Party delivers notice of its desire to terminate not less than one hundred eighty (180) days prior to the expiration of the Initial Term or the then current Renewal Term, as the case may be. The Initial Term and the Renewal Terms, if any, shall constitute the **"Term"** of this Agreement.

ARTICLE 4
SALE OF CRUDE OIL TO COFFEYVILLE

4.1 Supply of Crude Oil. Beginning on the Commencement Date and subject to the availability of supply, Vitol agrees to locate Crude Oil opportunities for Coffeyville consistent with Coffeyville's nomination made pursuant to Article 7. Vitol shall supply such Crude Oil to Coffeyville and Coffeyville agrees to purchase such Crude Oil from Vitol pursuant to the terms of this Agreement. In no event, however, shall Coffeyville have the right to claim an ownership interest in any volumes of Crude Oil prior to the transfer of title thereof pursuant to the provisions of Section 6.3. At all times prior to such transfer of title, Vitol shall have the exclusive right to store, transport or resell such Crude Oil, as it deems fit.

4.2 Exclusive Use. Subject to the provisions of this Agreement, Vitol will, during the Term, have (a) the sole and exclusive right to store Crude Oil in the Designated Tanks, and (b) the right to access the Designated Tanks to remove Crude Oil.

4.3 Exclusive Supplier. Except for Gathered Crude, Vitol shall be the exclusive supplier of crude oil to Coffeyville during the Term. Unless otherwise agreed by the Parties, Crude Oil supplied under this Agreement shall be solely for use at the Refinery. Notwithstanding anything to the contrary in this Section 4.3, if Vitol does not supply Crude Oil to Coffeyville in accordance with the Monthly Crude Nomination, for whatever reason, Coffeyville shall have the full and complete right to acquire such volumes of Crude Oil from any Person for processing in the Refinery and this Agreement shall not apply to such purchases by Coffeyville, except that any Crude Oil so purchased by Coffeyville may not be commingled with any Crude Oil held by Vitol other than in connection with the exercise of Coffeyville's Operational Rights.

4.4 Identification of Supply. Coffeyville and Vitol shall mutually cooperate to identify and negotiate supply arrangements with Counterparties that are consistent with Coffeyville's nomination made pursuant to Article 7. Prior to the acquisition of any Crude Oil Lots, the Parties shall agree to the quantity and quality of Crude Oil desired by Coffeyville. In the event that such supply opportunities are identified by Coffeyville, Coffeyville shall promptly inform Vitol of the opportunity and Vitol shall enter into one or more Third Party Contracts on Coffeyville's behalf. Notwithstanding the foregoing, Vitol shall have the right to reject such proposed opportunity if it determines, in its commercially reasonable discretion, that such Third Party Contract (a) is not structured in accordance with standard industry practices or on commercially marketable terms, (b) is not with a permissible Counterparty under Applicable Law, or (c) exposes Vitol to unacceptable credit or performance risk. In the event that a supply opportunity is identified by Vitol, Vitol will present the opportunity to Coffeyville for its approval, and Coffeyville will promptly advise Vitol in writing (via facsimile or e-mail) whether it accepts such opportunity. If Coffeyville fails to accept such opportunity within twenty-four (24) hours of receipt of Vitol's notice, Coffeyville shall be deemed to have rejected such supply opportunity. Vitol shall supply Coffeyville with the quantity, quality and grade, and on the delivery schedule, all as specified by Coffeyville pursuant to this Agreement; provided, however, that Coffeyville shall have no right to, or claim upon, any particular volume of Crude Oil held by Vitol.

4.5 Acknowledgment. Coffeyville acknowledges and agrees that (a) Vitol is a merchant of crude oil and may, from time to time, be dealing with prospective Counterparties, or pursuing trading or hedging strategies, in connection with aspects of Vitol's business which are unrelated hereto and that such dealings and such trading or hedging strategies may be different from or opposite to those being pursued by or for Coffeyville; (b) Vitol may, in its sole discretion, determine whether to advise Coffeyville of any potential transaction with a Counterparty and prior to advising Coffeyville of any such potential transaction Vitol may, in its discretion, determine not to pursue such transaction or to pursue such transaction in connection with another aspect of Vitol's business and Vitol shall have no liability of any nature to Coffeyville as a result of any such determination; (c) Vitol has no fiduciary or trust obligations of any nature with respect to the Refinery or Coffeyville, subject to the provisions herein regarding confidentiality set forth in Article 21 and provided, however, that Vitol shall have the obligation to keep confidential non-public information related to Crude Oil acquisitions by Coffeyville, and the obligation to execute Third Party Contracts in a manner consistent with this Agreement; (d) Vitol may enter into transactions and purchase crude oil for its own account or the account of others at prices more favorable than those being paid by Coffeyville hereunder and (e) nothing herein shall be construed to prevent Vitol, or any of its partners, officers, employees or Affiliates, in any way from purchasing, selling or otherwise trading in crude oil or any other commodity for its or their own account or for the account of others, whether prior to, simultaneously with, or subsequent to any transaction under this Agreement.

ARTICLE 5
PURCHASE OF CRUDE OIL FROM COUNTERPARTIES

5.1 Third Party Contracts.

(a) *Terms of Third Party Contracts*. The quantity and quality of Crude Oil sold and delivered to Coffeyville shall conform in all material respects to such specifications as agreed upon by Coffeyville prior to Vitol's contractual commitment to purchase a Crude Oil Lot from a Counterparty. The terms and conditions of each Third Party Contract must conform to standard industry practices unless otherwise specifically agreed to by Vitol. All statements and representations made by Coffeyville's employees shall be made on behalf of Coffeyville in its own capacity, and Coffeyville is not authorized to bind Vitol in connection with the negotiation or execution of any Third Party Contract, nor to make any representations to any Counterparty on behalf of Vitol. Unless expressly authorized by Vitol in writing, any advice, recommendations, warranties or representations made to any Counterparty by Coffeyville shall be the sole and exclusive responsibility of Coffeyville, and Coffeyville shall be liable for all errors, omissions or misinformation that it provides to Vitol or to any Counterparty.

(b) *Conditional Acceptance*. Coffeyville shall have no authority to bind Vitol to, or enter into on Vitol's behalf, any Third Party Contract. If Coffeyville has negotiated an offer from a Counterparty for a quantity of Crude Oil that Coffeyville wishes to have Vitol acquire, Coffeyville may indicate to such Counterparty the conditional acceptance of such offer, which conditional acceptance shall be specifically subject to obtaining the agreement of Vitol to such offer. Promptly after giving such conditional acceptance, Coffeyville shall apprise Vitol in writing of the terms of such offer, and Vitol shall promptly determine and advise Coffeyville as to whether Vitol agrees to accept such offer. If Vitol indicates its desire to accept such offer, then Vitol shall promptly formally communicate its acceptance of such offer directly to such Counterparty (with a copy to Coffeyville), resulting in a binding Third Party Contract between Vitol and such Counterparty.

5.2 Confirmations. For each transaction involving the purchase and sale of Crude Oil, Vitol shall issue and send to Coffeyville a Confirmation.

5.3 Payment Responsibility. Vitol shall be responsible for paying Counterparty and third party invoices for such Crude Oil and all Transportation and Direct Costs, which Transportation and Direct costs shall be included in the Transfer Price pursuant to Section 9.1(d). Vitol shall promptly provide Coffeyville with copies of all such Counterparty and third party invoices. All refunds or adjustments of any type received by Vitol related to the Transportation and Direct Costs shall be for the account of Coffeyville and a part of the Weekly True-Up Payment.

5.4 Crude Oil Gains and Losses. All Crude Oil Gains and Losses not covered by a Pipeline System tariff shall be for Coffeyville's account and shall be included in the Transfer Price. With respect to Crude Oil Gains and Losses which are covered by a Pipeline System tariff, Vitol shall pass through to Coffeyville the positive value of any such Crude Oil gains and the negative value of any such Crude Oil losses provided for by the applicable Pipeline System tariff by adding or deducting, as appropriate, such amount to or from the Weekly True-Up Payment.

5.5 WARRANTY OF TITLE; WARRANTY DISCLAIMER. VITOL FULLY AND UNCONDITIONALLY WARRANTS THAT IT HAS CLEAR, GOOD AND MERCHANTABLE TITLE TO ALL CRUDE OIL SOLD TO COFFEYVILLE PURSUANT TO THIS AGREEMENT, AND THAT VITOL WILL FULLY AND COMPLETELY INDEMNIFY COFFEYVILLE FROM AND AGAINST ANY AND ALL CLAIMS BY ANY PERSON OR ENTITY FOR LIABILITIES ARISING FROM A BREACH OF THE FOREGOING WARRANTY OF TITLE. EXCEPT FOR THE WARRANTY OF THE FULL AND UNCONDITIONAL TITLE TO CRUDE OIL SOLD PURSUANT TO THIS AGREEMENT, VITOL MAKES NO WARRANTY, CONDITION OR OTHER REPRESENTATION, WRITTEN OR ORAL, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS OR SUITABILITY OF CRUDE OIL FOR ANY PARTICULAR PURPOSE OR OTHERWISE. FURTHER, VITOL MAKES NO WARRANTY OR REPRESENTATION THAT CRUDE OIL CONFORMS TO THE SPECIFICATIONS IDENTIFIED IN VITOL'S CONTRACT WITH THE COUNTERPARTY.

5.6 Claims. The Parties shall consult with each other and coordinate how to handle and resolve any claims made by a Counterparty, a Pipeline Operator, Terminal Operator, vessel owner, supplier or transporter against Vitol or any claims that Vitol may bring against any such Person. In all instances wherein claims are made by a third party against Vitol which will be for the account of Coffeyville, Coffeyville shall have the right to either direct Vitol to take commercially reasonable actions in the handling of such claims or assume the handling of such claim in the name of Vitol, all at Coffeyville's cost and expense. To the extent that Coffeyville believes that any claim should be made by Vitol for the account of Coffeyville against any third party (whether a Counterparty, terminal facility, pipeline, storage facility or otherwise), Vitol will take any commercially reasonable actions as requested by Coffeyville either directly, or by allowing Coffeyville to do so, to prosecute such claim all at Coffeyville's cost and expense and all recoveries resulting from the prosecution of such claim shall be for the account of Coffeyville. Vitol shall, in a commercially reasonable manner, cooperate with Coffeyville in prosecuting any such claim and shall be entitled to assist in the prosecution of such claim at Coffeyville's expense. All costs, expenses and damages arising from such claim (including demurrage) shall be solely for Coffeyville's account except to the extent arising from Vitol's negligence or willful misconduct, it being the express intention of the Parties that Coffeyville shall solely assume all performance and credit risk of such Person's default or nonperformance, regardless of the reason therefore to the extent that such claims relate to the acquisition, transportation or handling of Crude Oil. All amounts required to settle any claims pursuant hereto, shall be included in the Transportation and Direct Costs component of the Transfer Price.

5.7 Insurance. Vitol shall procure and maintain in full force and effect throughout the term of this Agreement insurance coverages of the following types and amounts and with insurance companies rated not less than A- by A.M. Best, or otherwise reasonably satisfactory to Coffeyville in respect of Vitol's purchase of Crude Oil under this Agreement (provided the foregoing shall not limit Coffeyville's obligation to reimburse any insurance costs pursuant to Article 9):

(a) Property (cargo) damage coverage on an "all risk" basis in an amount sufficient to cover the market value or potential full replacement cost of all Crude Oil (including, but not limited to Crude Oil cargoes and Crude Oil in transit in pipelines) to be delivered to Coffeyville at the Delivery Point. In the event that the market value or potential full replacement cost of all Crude Oil (Crude Oil cargoes and Crude Oil in transit in pipelines) exceeds the insurance limits available or the insurance limits available at commercially reasonable rates in the insurance marketplace, Vitol will maintain the highest insurance limit available at commercially reasonable rates; provided, however, that Vitol will promptly notify Coffeyville (and, in any event prior to the transportation of any Crude Oil that would not be fully insured) of Vitol's inability to fully insure any Crude Oil and provide full details of such inability. Notwithstanding anything to the contrary herein, Coffeyville, may, at its option and expense, upon prior notice to Vitol, endeavor to procure and provide such property damage coverage for the Crude Oil.

(b) Comprehensive or commercial general liability coverage and umbrella or excess liability coverage, which includes bodily injury, broad form property damage and contractual liability, marine or charterers' liability and "sudden and accidental pollution" liability coverage in a minimum amount of $300,000,000 per occurrence and $500,000,000 in the aggregate.

5.8 Additional Insurance Requirements.

(a) The foregoing policies shall include an endorsement that the underwriters waive all rights of subrogation against Coffeyville.

(b) Vitol shall cause its insurance carriers to furnish Coffeyville with insurance certificates, in a standard form and from a properly authorized party reasonably satisfactory to Coffeyville, evidencing the existence of the coverages and endorsements required. The certificates shall specify that no insurance will be canceled during the term of this Agreement unless Coffeyville is given 30 days advance written notice prior to cancellation becoming effective. Vitol also shall provide renewal certificates within thirty (30) days before expiration of the policy.

(c) The mere purchase and existence of insurance does not reduce or release either Party from any liability incurred or assumed under this Agreement.

(d) Vitol shall comply with all notice and reporting requirements in the foregoing policies and timely pay all premiums.

ARTICLE 6
DELIVERY

6.1 Delivery Point. Unless specifically agreed otherwise by the Parties, all Crude Oil shall be delivered to Coffeyville at the Delivery Point. All such deliveries shall be evidenced by a meter ticket issued by Plains at the Delivery Point.

6.2 Alternate Delivery Point. In certain cases due to operational constraints or commercial concerns, Coffeyville may direct Vitol to sell or exchange Crude Oil on its behalf to a third party purchaser and any gains or losses from such sales or exchanges shall be for the account of Coffeyville. Any such amounts shall be included in the Provisional Invoice, unless the Parties mutually agree to document any such transaction as a price roll, with respect to the WTI Price, in accordance with common oil industry trading practices.

6.3 Title and Risk of Loss. Title and risk of loss to the Crude Oil shall pass from Vitol to Coffeyville at the Delivery Point, and Coffeyville shall assume custody of Crude Oil as it passes the Delivery Point. Before custody transfer at the Delivery Point, Vitol shall be solely responsible for compliance with all Applicable Laws, including all Environmental Laws, pertaining to the possession, handling, use and processing of such Crude Oil and shall indemnify and hold harmless Coffeyville, its Affiliates and their agents, representatives, contractors, employees, directors and officers, for all Liabilities, directly or indirectly, arising therefrom, except to the extent such Liabilities are caused by or attributable to any of the matters for which Coffeyville is indemnifying Vitol pursuant to Article 18. At and after custody transfer at the Delivery Point, Coffeyville shall be solely responsible for compliance with all Applicable Laws, including all Environmental Laws, pertaining to the possession, handling, use and processing of such Crude Oil and shall indemnify and hold harmless Vitol, its Affiliates and their agents, representatives, contractors, employees, directors and officers, for all Liabilities directly or indirectly arising therefrom, except to the extent that such Liabilities are due to the negligence or willful misconduct of Vitol.

6.4 Casualty and Other Losses. If a Catastrophic Loss of Crude Oil occurs but prior to the passage of title to Coffeyville any such Catastrophic Loss shall be for Vitol's account. Conversely, any Catastrophic Loss of Crude Oil occurring on or after the passage of risk of loss shall be for Coffeyville's account. Notwithstanding anything to the contrary herein, any Crude Oil Gains and Losses shall be borne by and for the account of Coffeyville and shall be included in the Transfer Price.

6.5 Vessel Chartering. Vitol shall be responsible for chartering all vessels required hereunder upon commercially reasonable terms and conditions; Vitol shall make all nominations of vessels and shall negotiate all chartering aspects with the relevant charterparties, including any inspection rights and insurance provisions, and shall otherwise take any and all actions required for the ocean transportation of Crude Oil. Notwithstanding anything to the contrary herein, Coffeyville may recommend to Vitol from time to time particular vessel chartering opportunities that become known to Coffeyville.

6.6 Pipeline Nominations.

(a) *Responsibility of Vitol*. Prior to the beginning of each month of the Term, Vitol shall be responsible for making pipeline and terminal nominations for such month; provided that, Vitol's obligation to make such nominations shall be conditioned on its receiving from Coffeyville the Monthly Crude Nomination in time to comply with the lead times required by such pipelines and terminals. Coffeyville shall provide to Vitol information in a timely manner in order to make such nominations or other scheduling actions. Vitol shall not be responsible if a Pipeline System is unable to accept Vitol's nomination or if the Pipeline System must allocate Crude Oil among its shippers, except to the extent that such non-acceptance is due to the negligence or willful misconduct of Vitol.

(b) *Responsibility of Coffeyville*. Coffeyville shall have direct contact with the terminal and pipeline personnel and will direct, as Vitol's agent, the daily transportation and blending of Crude Oil in such terminal. Coffeyville shall indemnify and hold harmless Vitol for any and all Liabilities related to or arising out of such agency, and the Parties acknowledge and agree that the scope of such agency is strictly limited to the terms hereof.

(c) *Spearhead Pipeline Procedures.* Notwithstanding anything to the contrary herein, all shipments of Crude Oil on the Spearhead Pipeline shall be subject to the procedures set forth in Schedule B. The Spearhead Pipeline capacity that is subject to this Agreement shall only be used by Vitol for the benefit of Coffeyville.

(d) *TransCanada Keystone Pipeline*. Coffeyville and Vitol have entered into the following agreement with Keystone dated _________, to wit: Notice and Acknowledgment of Authorization to Act (Keystone Pipeline System) (the "Keystone Agreement"), authorizing Vitol to act for and on behalf of Coffeyville regarding certain transactions on the Keystone Pipeline, including transportation pursuant to Coffeyville's Transportation Services Agreement ("TSA") with respect to the Keystone Pipeline. Vitol agrees that it shall only utilize such Keystone Pipeline transportation capacity for the benefit of Coffeyville, and that all rights related to the use of such Keystone Pipeline capacity (including but not limited to Keystone Pipeline allocation rights) shall be the sole and exclusive property of Coffeyville. Coffeyville and Vitol agree that the Keystone Agreement shall terminate and be of no further force and effect thirty (30) days after the date that Keystone receives written notice of termination from either Coffeyville or Vitol; provided that, the Party giving such notice simultaneously provides notice thereof to the other Party. All Crude Oil injected into the Keystone Pipeline by Vitol shall be owned exclusively by Vitol and Coffeyville agrees and acknowledges that Vitol shall have no obligation to Keystone, and assumes no liability with respect to any minimum throughput, deficiency fees, or similar obligations of Coffeyville to Keystone; provided, however, that Vitol shall fully and completely indemnify and hold harmless Coffeyville for any such Liabilities to Keystone to the extent, but only to the extent, caused by an Event of Default by Vitol under this Agreement or the failure of Vitol to comply with the terms of the Keystone tariff or the TSA.

6.7 Purchase and Sale of Gathered Crude. Coffeyville and Vitol agree that upon the request of Coffeyville, Vitol shall enter into a purchase agreement to purchase Gathered Crude from Coffeyville at Cushing, Oklahoma and resell such Gathered Crude to Coffeyville at the Delivery Point. The sale price for such described purchase and sale transaction shall be the same and no Origination Fee shall be added thereto.

ARTICLE 7
NOMINATIONS

7.1 Monthly Nomination. No later than the first (1st) day of each month of the Term, Coffeyville shall provide a preliminary nomination, via facsimile to Vitol, of the volume of Crude Oil it desires Vitol to purchase from Counterparties for the following month. Such nomination shall specify the anticipated delivery of Crude Oil by volume and grade. In addition, by the twenty-fifth (25th) day of each month during the Term, Coffeyville will advise Vitol via facsimile of its crude requirements for the Refinery for the following month (each, the **"Monthly Crude Nomination"**). The Monthly Crude Nomination shall be consistent with the blending program established by Coffeyville with the Terminal Operators.

7.2 Daily Nomination. By 9:00 a.m. CT of each Business Day, Coffeyville shall provide Vitol and the Terminal Operator with a nomination for Crude Oil to be delivered from that Business Day until the end of the next succeeding Business Day (the **"Crude Oil Withdrawal"**). The Parties acknowledge that for pricing purposes a Crude Oil Withdrawal may be comprised of multiple Crude Oil Lots or portions thereof. Coffeyville shall nominate the oldest Crude Oil Lot in the event that there are two (2) or more Crude Oil Lots of the same crude oil grade available for delivery.

7.3 Changes to Nominations. Coffeyville shall notify Vitol promptly upon learning of any material change in any previously provided projections or if it is necessary to reschedule any pipeline nominations confirmed by the applicable Terminal Operator. Vitol shall schedule any changes in nominations through the applicable Terminal Operator, as necessary, and all costs associated therewith shall be for Coffeyville's account, including any costs associated with resetting the applicable WTI Contracts to reflect such changes to the nominated volumes.

ARTICLE 8
CRUDE OIL INSPECTION AND MEASUREMENT

8.1 Delivered Volumes. The volume of all Crude Oil purchased and sold under this Agreement shall be based on the bill of lading volumes (the **"B/L Volumes"**) under the applicable Third Party Contracts. Specifically, the B/L Volumes shall be equal to (a) in the case of FOB marine deliveries based on load port volumes, the quantity of Crude Oil specified in the applicable bill of lading, as determined by the Independent Inspector designated in the Third Party Contract, (b) in the case of marine deliveries based on delivered volumes, the quantity of Crude Oil discharged into shore tanks, as determined by the Independent Inspector designated in the Third Party Contract, and (c) in the case of pipeline deliveries, the pipeline meter ticket volumes received by Vitol under the applicable Third Party Contract. The actual volume of Crude Oil delivered to Coffeyville at the Delivery Point shall be based on the pipeline meter ticket at the flange connection between the Plains Pipeline System and the pipeline connector at Broome Station. Any differences between the applicable B/L Volumes and the actual volumes delivered to Coffeyville at the Delivery Point shall be accounted for as Crude Oil Gains and Losses.

8.2 Quality of Delivered Volumes. The quality of all volumes of Crude Oil delivered to Coffeyville hereunder shall be based on the determination of the Independent Inspector pursuant to the applicable Third Party Contract. Vitol shall promptly deliver to Coffeyville a copy of each such Independent Inspector's report.

8.3 Inspector's Reports. Certificates of quality and quantity countersigned by the Independent Inspector shall be final and binding on both Parties, absent manifest error or fraud. Coffeyville shall instruct the Independent Inspector to retain samples of Crude Oil for a period of ninety (90) days from and after the date of each measurement.

8.4 Recalibration of Designated Tanks. Vitol may, acting reasonably, require at any time that the Designated Tanks be recalibrated in accordance with the procedures set forth in this Section 8.4. Notwithstanding the foregoing, the Parties agree that not less than once each calendar year, the Parties shall instruct the Independent Inspector to calibrate the Designated Tanks and measure the volume of Crude Oil contained therein. The Independent Inspector's report shall be distributed to each Party and the results therein shall be final and binding on the Parties, absent fraud or manifest error. The Parties shall thereafter adjust its books and records to reflect the actual volumes of Crude Oil reflected in the Independent Inspector's report. If such volumes are not consistent with the B/L Volumes, any surplus or shortfall shall be accounted for as Crude Oil Gains and Losses. All costs and fees related to the recalibration of the Designated Tanks shall be for Coffeyville's account.

ARTICLE 9
PRICE AND PAYMENT FOR CRUDE OIL

9.1 Crude Oil Purchase Price. For each Crude Oil Lot to be delivered to the Delivery Point, Coffeyville shall pay Vitol an amount equal to the transfer price (the **"Transfer Price"**), which shall be equal to (***). The provisions of this Article 9 are intended to apply only for pricing purposes and shall not be deemed or construed to alter the intention of the Parties that all Crude Oil shall be owned exclusively by Vitol until the passage of title occurs consistent with the provisions of Section 6.3. Notwithstanding anything to the contrary herein, the Transfer Price for Transactions shall be a floating price based on the mutually agreed index of market prices (adjusted for contract differentials and WTI Price Rolls) plus Vitol's costs to acquire and deliver Crude Oil, and plus the Origination Fee, all as more specifically set forth in Article 9, including but not limited to Section 9.2(c). For purposes of such calculations, the following provisions shall apply:

(a) *WTI Price.* Not later than one (1) Business Day prior to the first (1st) day that the applicable Third Party Contract(s) commences pricing in accordance with the terms thereof, Coffeyville may nominate one or more WTI Contracts to be included in the Transfer Price as the WTI price (the **"WTI Price"**). In the event that Coffeyville nominates more than one WTI Contract, Coffeyville will designate the percentage of the Crude Oil Lot applicable to each WTI Contract, with the total of all such percentages to equal one hundred percent (100%). If Coffeyville fails to nominate any WTI Contracts within such time frame, the second-line WTI Contract shall be deemed to be the WTI Price for the subject Crude Oil Lot. The actual WTI Price used in calculating the Transfer Price shall be the settlement value published the first day following the date of delivery of the applicable Crude Oil Withdrawal.

(b) *WTI Price Rolls*. Coffeyville may at any time change a WTI Contract by notifying Vitol of the new WTI Contract. The Parties shall mutually agree to the values applicable to any such changes to the applicable WTI Contract(s). For the avoidance of doubt, the Parties acknowledge that Vitol shall not be required to enter into any such WTI Contracts on Coffeyville's behalf or to deliver evidence of any such WTI Contracts to Coffeyville. Rather, it is the intent of the Parties that any applicable rolls of WTI Contracts shall be accounted for in the valuation process of the WTI Differential. Absent any instructions from Coffeyville to the contrary, the Parties agree that an expiring WTI Contract will roll to the next succeeding month contract, effective on the first (1st) Business Day prior to the day of expiration of such WTI Contract. WTI rolls contemplated by this Section shall be executed at values mutually agreed to by the Parties.

(c) *WTI Differential*. The WTI differential (the **"WTI Differential"**) shall be equal to the difference between the Contract Price and the weighted average of the WTI Contract(s) corresponding to the subject Crude Oil Lot, or portion thereof, where the WTI Contract prices are the settlement prices over the days the Contract Price is determined. The WTI Differential shall be amended, as necessary, to reflect the substitution or replacement of any WTI Contracts, to include, but not be limited to, WTI Price rolls pursuant to Section 9.1(b), and grade exchange differentials, if any. All actual or deemed costs and fees related to any substitution or replacement of any WTI Contracts shall be for Coffeyville's account.

(d) *Transportation and Direct Costs*. Transportation and direct costs (**"Transportation and Direct Costs"**) shall include all actual direct and indirect third party expenses and/or Agreed Costs associated with acquiring and moving Crude Oil from the acquisition point to the Delivery Point, including, but not limited to, freight, lightering, inspection fees, insurance, wharfage and dock fees, canal fees, port expenses and ship's agent fees, export charges, customs duties and user fees, tariffs, Taxes (including harbor maintenance Taxes), any charges imposed by a Governmental Authority, tankage and throughput charges, broker's fees, demurrage, pipeline loss allowances, terminal fees, Deemed L/C Fees. For the sake of greater clarity and without limiting the previous sentence, Transportation and Direct Costs includes all actual direct and indirect third party expenses and/or Agreed Costs associated with the settlement or discharge of crude oil contracts for physical delivery where such physical contracts arise as a necessary and direct consequence of a Crude Oil Lot, including but not limited to exchange for difference contracts, location exchange contracts, and WTS-WTI buy-sell contracts.

9.2 Provisional Invoice.

(a) *Invoiced Dates*. On the day of each Crude Oil Withdrawal, Vitol shall prepare and deliver to Coffeyville a provisional invoice (each, the **"Provisional Invoice"**), which Provisional Invoice shall be due and payable in full on such day. The Provisional Invoice shall include: (i) any corrections to volumes forecasted in a prior invoice for delivery on such date, (ii) any corrections to the WTI Prices forecasted in a prior invoice for volumes delivered, (iii) any volumes resold or exchanged, if applicable, and (iv) volumes forecasted for delivery up to and including the immediately subsequent Business Day.

(b) *Invoice Calculations*. The purchase price set forth in the Provisional Invoice (the **"Provisional Transfer Price"**) shall be equal to the Transfer Price for the specified Crude Oil Withdrawal plus a Crude Oil quality factor (the **"Quality Factor"**) equal to (***). For purposes of calculating the initial Quality Factor under the Agreement, and in lieu of and in substitution for such (***), the Parties agree that the amount of the Quality Factor shall initially be deemed to be equal to (***) and that such amount shall be posted by Coffeyville, at its election, in cash or in the form of a standby letter of credit in form and substance reasonably acceptable to Vitol. Either Party may request that the amount of the Quality Factor be recomputed at any time based on the best available information, provided that, (i) a Party may make such request no more frequently than once each week, and (ii) any adjustment to the Quality Factor shall be in increments of not less than $100,000 and shall be rounded up to the next nearest $100,000. Vitol, acting reasonably, shall use its best estimates for calculating the Transportation and Direct Costs applicable to such Crude Oil Withdrawal to the extent that such amounts are not yet ascertainable. Each Crude Oil Lot, or portion thereof, included in a Crude Oil Withdrawal shall be allocated on a first-in, first-out basis, and the Provisional Invoice shall be based on the Transfer Price applicable, on a volumetric basis, to each such Crude Oil Lot, or portion thereof. Vitol shall use its best estimate of the trading price for purposes of calculating the WTI Price component of the Transfer Price. In the event that two or more WTI Contracts apply to a Crude Oil Lot, the Provisional Transfer Price shall be computed using the WTI Contracts in sequential order beginning with the most prompt contract first. The Parties acknowledge that the Provisional Transfer Price will be trued-up (including any adjustment to the Quality Factor) in accordance with Section 9.3 to reflect the actual Transfer Price based on the actual components set forth in Section 9.1.

(c) *Components of Transfer Price*. Prior to a Crude Oil Withdrawal of a Crude Oil Lot, or portion thereof, Vitol shall continuously update its books and records to reflect the best information available with respect to each component of the Transfer Price for such Crude Oil Lot, or portion thereof, including volume and costs. Upon the occurrence of the first Crude Oil Withdrawal with respect to a Crude Oil Lot, or portion thereof, the Transportation and Direct Costs component of the Transfer Price for purposes of the Provisional Invoice shall be established and any subsequent revisions to the Transfer Price as a result of obtaining more accurate information with respect to the Transportation and Direct Costs shall be addressed in the weekly true-up calculations pursuant to Section 9.3. All other components of the Transfer Price (other than the Transportation and Direct Costs and the Origination Fee) shall be continually updated by Vitol and the best available information shall be used for purposes of calculating the Provisional Invoice.

9.3 Weekly True-Ups. On the third (3rd) Business Day of each week during the Term, Vitol shall prepare and deliver to Coffeyville an invoice (the **"True-Up Invoice"**) that corrects the Provisional Invoices issued since the date of the last True-Up Invoice to reflect the actual prices and actual volumes applicable to each component of the Transfer Price for each Crude Oil Withdrawal. Vitol shall have the right to issue additional True-Up Invoices until all numbers are final and accurate. In addition, if the actual volume of a Crude Oil Lot differs from the volumes used in calculating the Provisional Invoices, then the true-up for such volume correction shall use the Transfer Prices applicable to such Crude Oil Lot. In the event that the sum set forth in the True-Up Invoice is greater than the sum set forth in the Provisional Invoice, the difference shall be paid by Coffeyville to Vitol; however, if the sum set forth in the Provisional Invoice exceeds the sum set forth in the True-Up Invoice, the difference shall be paid by Vitol to Coffeyville. All amounts due and owing hereunder (the **"Weekly True-Up**

Payment") shall be paid by the owing Party to the other Party on the next Business Day following Coffeyville's receipt of the corrected invoice.

9.4 Payment Terms Adjustment. Vitol will compute an adjustment to the Transfer Price to give Coffeyville the equivalent economic benefit of standard industry payment terms for Crude Oil acquired by Coffeyville (the **"Payment Terms Adjustment"**). The Parties anticipate the Payment Terms Adjustment will generally be a credit in favor of Coffeyville against amounts otherwise due, as provided herein below. The Parties, however, further acknowledge that depending on the timing of payments by Vitol for Crude Oil and the timing of payments from Coffeyville, the Payment Terms Adjustment could be a debit (additional charge) added to the Transfer Price and payable to Vitol. On the first (1st) Business Day following the nineteenth (19th) day of each month, Vitol shall compute the Payment Terms Adjustment for the period from the nineteenth (19th) day of the previous month until the eighteenth (18th) day of such current month (the **"Working Capital Period"**), and shall deliver to Coffeyville a working capital statement in sufficient detail (the **"Working Capital Statement"**). The Payment Terms Adjustment shall be equal to (***) for each day in the Working Capital Period. The Daily Capital Charge shall be equal to (***). Any payments due under this Section 9.4, shall be payable on the fifth (5th) Business Day following Vitol's delivery of the Working Capital Statement to Coffeyville but, in no event, later than the last day of the calendar month which immediately follows the calendar month to which such payment applies.

9.5 Other Statements. If any other amount is due from one Party to the other hereunder (not including the Transfer Price), and if provision for the invoicing of that amount due is not made elsewhere in this Agreement, then the Party to whom such amount is due shall furnish a statement therefore to the other Party, along with pertinent information showing the basis for the calculation thereof. Upon request, the Party who issued a statement under this Section 9.5 shall provide reasonable supporting documentation to substantiate any amount claimed to be due.

9.6 Payment.

(a) *Form of Payment*. Each Party shall pay, or cause to be paid, by telegraphic transfer of same day funds in U.S. Dollars, all amounts that become due and payable by such Party to a bank account or accounts designated by and in accordance with instructions issued by the other Party. Each payment of undisputed amounts (the disputed portion of which is addressed under Section 9.7) owing hereunder shall be in the full amount due without reduction or offset for any reason (except as expressly allowed under this Agreement), including Taxes, exchange charges or bank transfer charges. Notwithstanding the immediately preceding sentence, the paying Party shall not be responsible for a designated bank's disbursement of amounts remitted to such bank, and a deposit in same day funds of the full amount of each statement with such bank shall constitute full discharge and satisfaction of such statement.

(b) *Payment Date*. If any payment due date should fall on a Saturday or non-Monday weekday that is not a Business Day in New York City, payment is to be made on the immediately preceding Business Day. If the payment due date should fall on a Sunday or Monday which is not a Business Day in New York City, payment is to be made on the immediately following Business Day.

(c) *Interest*. All payments under this Agreement not paid by the due date as defined herein shall accrue interest at the Base Interest Rate. Interest shall run from, and including, the applicable due date of the payment to, but excluding, the date that payment is received.

9.7 Disputed Payments. In the event of a disagreement concerning any statement or invoice issued pursuant hereto, the owing Party shall make provisional payment of the total amount owing and shall promptly notify the receiving Party of the reasons for such disagreement, except that in the case of an obvious error in computation, the owing Party shall pay the correct amount disregarding such error. Statements may be contested by a Party only if, within a period of one (1) year after a Party's receipt thereof, the owing Party serves on the receiving Party notice questioning their correctness. If no such notice is served, statements shall be deemed correct and accepted by all Parties. The Parties shall cooperate in resolving any dispute expeditiously. Within five (5) Business Days after resolution of any dispute as to a statement, the Party owing a disputed amount, if any, shall pay such amount, with interest at the Base Interest Rate from the original due date to but not including the date of payment.

ARTICLE 10
TAXES

Coffeyville shall be liable for (i) all Taxes imposed on Crude Oil as a result of the transportation, storage, importation or transfer of title of such Crude Oil from Vitol to Coffeyville at the Delivery Point, and (ii) all Taxes imposed after delivery of such Crude Oil to Coffeyville at the Delivery Point.

ARTICLE 11
INFORMATION AND REQUESTS FOR ADEQUATE ASSURANCES

11.1 Financial Information. Coffeyville shall provide Vitol (a) within ninety (90) days following the end of each of its fiscal years (or such later date on which the annual report is delivered by Coffeyville or its Affiliates to the SEC), a copy of its annual report, containing audited consolidated financial statements for such fiscal year certified by independent certified public accountants, (b) within forty-five (45) days after the end of its first three (3) fiscal quarters of each fiscal year (or such later date on which the applicable quarterly report is delivered by Coffeyville or its Affiliates to the SEC), a copy of its quarterly report, containing unaudited consolidated financial statements for such fiscal quarter and (c) within forty (40) days after the end of each month, a monthly income statement, balance sheet and cash flow statement prepared consistently with prior practices. In all cases the statements shall be for the most recent accounting period and the annual and quarterly statements shall be prepared in accordance with GAAP;

provided, however, that should any such statements not be timely available due to a delay in preparation or certification, such delay shall not be considered an Event of Default so long as Coffeyville or its Affiliates diligently pursues the preparation, certification and delivery of such statements.

11.2 Notification of Certain Events. Each Party shall notify the other Party at least one Business Day prior to any of the following events, as applicable:

(a) As to Coffeyville, it or any of its Affiliates' binding agreement to sell, lease, sublease, transfer or otherwise dispose of, or grant any Person (including an Affiliate) an option to acquire, in one transaction or a series of related transactions, all or a material portion of the Refinery assets; or

(b) As to either Party, its or any of its Affiliates' binding agreement to consolidate or amalgamate with, merge with or into, or transfer all or substantially all of its assets to, another entity (including an Affiliate).

For purposes of this Section 11.2, an Affiliate of Coffeyville shall include entities up to the level of CVR Energy, Inc., but not above CVR Energy, Inc., and an Affiliate of Vitol shall include only Vitol Holdings BV. In addition, this Section 11.2 shall not apply to any future public offering of stock (or partnership units) of Coffeyville or any of its Affiliates, including, but not limited to CVR Partners, LP, or to an internal corporate reorganization where the ultimate beneficial ownership of such party does not change.

11.3 Adequate Assurances. Vitol may, in its sole discretion and upon notice to Coffeyville, require that Coffeyville provide it with satisfactory security for or adequate assurance (**"Adequate Assurance"**) of Coffeyville's performance within three (3) Business Days of giving such notice if:

(a) Vitol reasonably determines that reasonable grounds for insecurity exist with respect to Coffeyville's ability to perform its obligations hereunder; or

(b) Coffeyville defaults with respect to any payment hereunder (after giving effect to any applicable grace period).

Vitol's right to request Adequate Assurance pursuant to Section 11.3(a) shall include, but not be limited, the occurrence of a spin-off of CVR Partners, LP to the stockholders of CVR Energy, Inc. and/or any internal corporate reorganization where Coffeyville or CVR Energy, Inc., as the case may be, is not as creditworthy following such transaction as prior thereto.

In the event Vitol gives such a notice pursuant to Section 11.3(a) above, such notice shall include a summary of the information upon which Vitol has based its determination that such reasonable grounds for insecurity exist. Such summary shall be in sufficient detail to reasonably communicate Vitol's grounds that insecurity exists; however, in no event shall the nature of Vitol's notice relieve Coffeyville of its obligation to provide Adequate Assurance hereunder.

11.4 Eligible Collateral. Any requirement for Adequate Assurance shall be satisfied only by Coffeyville's delivery of Eligible Collateral. Eligible Collateral shall be posted in an amount equal to not less than Vitol's financial exposure under this Agreement (the **"Cover Exposure"**). Cover Exposure shall mean the amount, either positive or negative, that is the difference between the Crude Oil valued at the applicable Provisional Transfer Prices and the fair market value of the Crude Oil, which shall reflect any adjustments for the quality of the Crude Oil as compared to WTI. (For the avoidance of doubt, Crude Oil shall mean the total aggregate volume of all Crude Oil held by Vitol on the date of such calculations). In addition, in order to continue to satisfy any requirement for Adequate Assurance, the amount of any Eligible Collateral shall be adjusted from time to time so that it is sufficient to satisfy the Cover Exposure, as it may fluctuate from time to time. Vitol shall, from time to time, compute the Cover Exposure in a commercially reasonable manner.

11.5 Failure to Give Adequate Assurance. Without prejudice to any other legal remedies available to Vitol and without Vitol incurring any Liabilities (whether to Coffeyville or to a third party), Vitol may, at its sole discretion, take any or all of the following actions if Coffeyville fails to give Adequate Assurance as required pursuant to Section 11.3: (a) withhold or suspend its obligations, including payment obligations, under this Agreement, (b) proceed against Coffeyville for damages occasioned by Coffeyville's failure to perform or (c) exercise its termination rights under Article 17.

11.6 Coffeyville Right to Terminate. Notwithstanding anything to the contrary herein, Coffeyville may, within sixty (60) days of its providing Adequate Assurance hereunder and upon five (5) days prior written notice to Vitol, terminate this Agreement. Such termination by Coffeyville shall not be a default hereunder and shall be deemed a termination pursuant to Article 17; provided that nothing in this Section 11.6 shall limit any of Vitol's rights in the event Coffeyville fails to maintain Adequate Assurance or any other Event of Default with respect to Coffeyville occurs.

ARTICLE 12
REFINERY TURNAROUND, MAINTENANCE AND CLOSURE

12.1 Scheduled Maintenance. Coffeyville shall provide to Vitol on the Commencement Date and on an annual basis thereafter, at least thirty (30) days prior to the beginning of each calendar year during the Term, its anticipated timing of Scheduled Maintenance during the upcoming year, and shall update such schedule as soon as practical following any change to the maintenance schedule. The Parties shall cooperate with each other in establishing maintenance and turnaround schedules that do not unnecessarily interfere with the receipt of Crude Oil that Vitol has committed to purchase.

12.2 Unscheduled Maintenance. Coffeyville shall immediately notify Vitol orally (followed by prompt written notice) of any previously unscheduled downtime, maintenance or turnaround and the expected duration of such unscheduled downtime, maintenance or turnaround.

12.3 Failure to Accept Deliveries. In the event that the Refinery is unable, for whatever reason other than Scheduled Maintenance, to accept deliveries of Crude Oil for a period of thirty (30) consecutive days, consistent with prior practices, then Vitol shall be entitled to suspend deliveries of Crude Oil until such time as the Refinery has resumed its normal receipt schedule. During such period of suspension, Vitol, at its option and its sole discretion, shall be entitled to (a) deliver the Crude Oil to an alternate location in accordance with instructions received from Coffeyville and demand immediate payment from Coffeyville for such Crude Oil, or (b) sell such Crude Oil to a third party, in which case Coffeyville shall be liable to Vitol for any shortfall, or Vitol shall be liable to Coffeyville for any excess, between (i) the revenues received by Vitol from such third party sale and (ii) the price that Coffeyville would have paid Vitol pursuant to this Agreement, *plus* all direct and indirect costs of cover and documented hedge expenses. Any amount owed to a Party pursuant to this Section 12.3 shall be included in the next Weekly True-Up Payment.

ARTICLE 13
COMPLIANCE WITH APPLICABLE LAWS

13.1 Compliance With Laws. Each Party shall, in the performance of its duties under this Agreement, comply in all material respects with all Applicable Laws. Each Party shall maintain the records required to be maintained by Environmental Laws and shall make such records available to the other Party upon request.

13.2 Reports. All reports or documents rendered by either Party to the other Party shall, to the best of such rendering Party's knowledge and belief, accurately and completely reflect the facts about the activities and transactions to which they relate. Each Party shall promptly notify the other Party if at any time such rendering Party has reason to believe that the records or documents previously furnished to such other Party are no longer accurate or complete in any material respect.

ARTICLE 14
FORCE MAJEURE

14.1 Event of Force Majeure. Neither Party shall be liable to the other Party if it is rendered unable by an event of Force Majeure to perform in whole or in part any of its obligations hereunder, for so long as the event of Force Majeure exists and to the extent that performance is hindered by the event of Force Majeure; provided, however, that the Party unable to perform shall use all commercially reasonable efforts to avoid or remove the event of Force Majeure. During the period that performance by one of the Parties of a part or whole of its obligations has been suspended by reason of an event of Force Majeure, the other Party likewise may suspend the performance of all or a part of its obligations to the extent that such suspension is commercially reasonable, except for any payment and indemnification obligations.

14.2 Notice. The Party rendered unable to perform its obligations hereunder shall give notice to the other Party within twenty-four (24) hours after receiving notice of the occurrence of an event of Force Majeure, including, to the extent feasible, the details and the expected duration of the event of Force Majeure and the volume of Crude Oil affected. Such Party shall promptly notify the other Party when the event of Force Majeure is terminated.

14.3 Termination and Curtailment. In the event that a Party's performance is suspended due to an event of Force Majeure in excess of ninety (90) consecutive days from the date that notice of such event is given, and so long as such event is continuing, the non-claiming Party, in its sole discretion, may terminate or curtail its obligations under this Agreement by notice to the other Party, and neither Party shall have any further liability to the other Party in respect of this Agreement except for the rights and remedies previously accrued under this Agreement, including any payment and indemnification obligations by either Party under this Agreement.

14.4 Resumption of Performance. If this Agreement is not terminated pursuant to this Article 14 or any other provision of this Agreement, performance of this Agreement shall resume to the extent made possible by the end or amelioration of the event of Force Majeure in accordance with the terms of this Agreement; provided, however, that the Term of this Agreement shall not be extended for the period of any event of Force Majeure.

ARTICLE 15
MUTUAL REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Party represents and warrants to the other Party as of the Effective Date of this Agreement and as of the date of each purchase and sale of Crude Oil hereunder, that:

(a) It is an "Eligible Contract Participant" as defined in Section 1a (12) of the Commodity Exchange Act, as amended.

(b) It is a "forward contract merchant" in respect of this Agreement and each sale of Crude Oil hereunder is a forward contract for purposes of the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq., as amended from time to time.

(c) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and in good standing under such laws.

(d) It has the corporate, governmental or other legal capacity, authority and power to execute this Agreement, to deliver this Agreement and to perform its obligations under this Agreement, and has taken all necessary action to authorize the foregoing.

(e) The execution, delivery and performance in the preceding paragraph (d) do not violate or conflict with any Applicable Law, any provision of its constitutional documents, any order or judgment of any court or Governmental Authority applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(f) All governmental and other authorizations, approvals, consents, notices and filings that are required to have been obtained or submitted by it with respect to this Agreement have been obtained or submitted and are in full force and effect, and all conditions of any such authorizations, approvals, consents, notices and filings have been complied with.

(g) Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law and an implied covenant of good faith and fair dealing).

(h) No Event of Default under Article 16 with respect to it has occurred and is continuing, and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement.

(i) There is not pending or, to its knowledge, threatened against it any action, suit or proceeding at law or in equity or before any court, tribunal, Governmental Authority, official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or its ability to perform its obligations under this Agreement.

(j) It is not relying upon any representations of the other Party, other than those expressly set forth in this Agreement.

(k) It has entered into this Agreement as principal (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), with a full understanding of the material terms and risks of the same, and is capable of assuming those risks.

(l) It has made its trading and investment decisions (including their suitability) based upon its own judgment and any advice from its advisors as it has deemed necessary, and not in reliance upon any view expressed by the other Party.

(m) The other Party (i) is acting solely in the capacity of an arm's-length contractual counterparty with respect to this Agreement, (ii) is not acting as a financial advisor or fiduciary or in any similar capacity with respect to this Agreement and (iii) has not given to it any assurance or guarantee as to the expected performance or result of this Agreement.

(n) Neither it nor any of its Affiliates has been contacted by or negotiated with any finder, broker or other intermediary in connection with the sale of Crude Oil hereunder who is entitled to any compensation with respect thereto (other than brokers' fees agreed upon by the Parties).

(o) None of its directors, officers, employees or agents or those of its Affiliates has received or will receive any commission, fee, rebate, gift or entertainment of significant value in connection with this Agreement.

ARTICLE 16
DEFAULT AND REMEDIES

16.1 Events of Default. Notwithstanding any other provision of this Agreement, an Event of Default shall be deemed to occur with respect to a Party when:

(a) Such Party fails to make payment when due under this Agreement, within one (1) Business Day of a written demand therefor.

(b) Other than a Default described in Sections 16.1(a) and (c), such Party fails to perform any obligation or covenant to the other Party under this Agreement, which failure is not cured to the satisfaction of the other Party (in its sole discretion) within five (5) Business Days from the date that such Party receives written notice that corrective action is needed.

(c) Such Party breaches any material representation or material warranty made or repeated or deemed to have been made or repeated in this Agreement by such Party, or any warranty or representation in this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated under this Agreement; provided, however, that if such breach is curable, it is only an Event of Default if such breach is not cured to the reasonable satisfaction of the other Party (in its sole discretion) within ten (10) Business Days from the date that such Party receives notice that corrective action is needed.

(d) Such Party or its Designated Affiliate (i) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or any early termination of, such Specified Transaction, (ii) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three (3) Business Days if there is no applicable notice requirement or grace period) or (iii) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any Person appointed or empowered to operate it or act on its behalf).

(e) Such Party becomes Bankrupt.

(f) Coffeyville fails to provide Adequate Assurance in accordance with Section 11.3.

(g) Coffeyville or any of its Affiliates sells, leases, subleases, transfers or otherwise disposes of, in one transaction or a series of related transactions, all or a material portion of the assets of the Refinery.

(h) There shall occur either (i) a default, event of default or other similar condition or event (however described) in respect of Coffeyville or any of its Affiliates under one or more agreements or instruments relating to any Specified Indebtedness in an aggregate amount of not less than $20,000,000 which has resulted in such Specified Indebtedness becoming due and payable under such Specified Indebtedness and instruments before it would have otherwise been due and payable or (ii) a default by Coffeyville or any of its Affiliates (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than $10,000,000 under such agreements or instruments relating to any Specified Indebtedness (after giving effect to any applicable notice requirement or grace period), provided that a default under clause (ii) above shall not constitute an Event of Default if (a) the default was caused solely by error or omission of an administrative or operational nature; (b) funds were available to enable Coffeyville or its Affiliate, as the case may be, to make the payment when due; and (c) the payment is made within two (2) Business Days of such Coffeyville's or its Affiliates, as the case may be, receipt of written notice of its failure to pay.

(i) Coffeyville or CVR Energy, Inc. (i) consolidates or amalgamates with, merges with or into, or transfers all or substantially all of its assets to, another entity (including an Affiliate) or any such consolidation, amalgamation, merger or transfer is consummated, and (ii) the successor entity resulting from any such consolidation, amalgamation or merger or the Person that otherwise acquires all or substantially all of the assets of Coffeyville or CVR Energy, Inc. (a) does not assume, in a manner reasonably satisfactory to Vitol, all of Coffeyville's obligations hereunder, or (b) has an "issuer credit" rating below BBB- by Standard and Poor's Ratings Group or Baa3 by Moody's Investors Service, Inc. (or an equivalent successor rating classification).

A future public offering of stock of Coffeyville or any of its Affiliates (including, but not limited to CVR Energy, Inc.) or a future public offering of units of CVR Partners, LP shall not result in an Event of Default under this Agreement pursuant to clauses (g) and (i) above. In addition, a spin-off of CVR Partners, LP to the stockholders of CVR Energy, Inc. and/or an internal corporate reorganization where the ultimate beneficial ownership of such Party does not change shall not result in an Event of Default under this Agreement pursuant to clauses (g) and (i) above.

Coffeyville shall be the Defaulting Party upon the occurrence of any of the events described in clauses (f), (g), (h) and (i) above.

16.2 Remedies. Notwithstanding any other provision of this Agreement, upon the occurrence of an Event of Default with respect to either Party (the **"Defaulting Party"**), the other Party (the **"Performing Party"**) shall in its sole discretion, in addition to all other remedies available to it and without incurring any Liabilities to the Defaulting Party or to third parties, be entitled to do one or more of the following: (a) suspend its performance under this Agreement without prior notice to the Defaulting Party, (b) proceed against the Defaulting Party for damages occasioned by the Defaulting Party's failure to perform, (c) upon one (1) Business Day's notice to the Defaulting Party, immediately terminate and liquidate all Transactions between the Parties by calculating a Termination Payment, in the manner set forth in Section 17.2, and (iv) exercise its rights of liquidation and setoff with respect to all Specified Transactions as set forth in Section 17.4. Notwithstanding the foregoing, in the case of an Event of Default described in Section 16.1(e), no prior notice shall be required.

16.3 Instructions Concerning Operational Matters. At any time upon an Event of Default by Coffeyville, Vitol may instruct (a) the Terminal Operators to cancel any Crude Oil nominations scheduled for delivery from Vitol to Coffeyville and re-nominate such Crude Oil to Vitol's consignee as Vitol may direct and (b) the relevant Pipeline Systems that Vitol will be using Coffeyville's nominated shipping capacity to ship Crude Oil that otherwise would be sold to Coffeyville to Vitol's consignee as Vitol may direct. It is the Parties' understanding that all Crude Oil shall be exclusively owned and controlled by Vitol until delivered to Coffeyville at the Delivery Point.

16.4 Forbearance Period. If an Event of Default of the type referred to in Section 16.1(h) occurs, Vitol agrees that, for a period of up to sixty (60) consecutive calendar days thereafter (the **"Forbearance Period"**), it shall forbear from exercising its rights and remedies under Section 16.2 to the extent it is otherwise entitled to do so based on such occurrence; provided that:

(a) at all times during the Forbearance Period, either the Cover Exposure shall equal zero or the aggregate amount of Undrawn Letters of Credit shall exceed the Cover Exposure; and

(b) at no time during the Forbearance Period shall any other Event of Default have occurred.

The Forbearance Period shall end on the earlier to occur of (i) the sixtieth (60th) day following the occurrence of the Specified Indebtedness Event of Default or (ii) the time as of which the condition in either clause (a) or (b) of Section 16.4 is no longer satisfied. During the Forbearance Period, Vitol shall continue to supply Crude Oil to Coffeyville pursuant to the provisions hereof.

From and after the end of the Forbearance Period, Vitol shall be entitled to exercise any and all of the rights and remedies it may have (including without limitation under Section 16.2) based on the occurrence of such Event of Default as if no Forbearance Period had occurred (regardless of whether such Event of Default has been remedied or waived during such Forbearance Period).

ARTICLE 17
FINAL SETTLEMENT AT TERMINATION

17.1 Effects of Termination. Upon the termination or expiration of this Agreement, Coffeyville shall acquire (a) all Crude Oil located in the Designated Tanks and (b) all Crude Oil in transit by vessel or in pipelines to be delivered into the Designated Tanks (collectively, the **"Final Inventory"**), all of which shall be purchased by Coffeyville at the Transfer Price effective as of the date of termination or expiration. Such final purchase and sale Transactions shall be invoiced by Vitol and paid for by Coffeyville in accordance with the procedures set forth in Article 9, except that (i) Coffeyville shall pay one hundred percent (100%) of the Transfer Price (***) and (ii) Vitol may prepare and deliver to Coffeyville True-Up Invoices as soon as the necessary information becomes available. The Final Inventory volumes shall be the sum of the following: (i) the volume of Crude Oil in the Designated Tanks as determined by the records of each Designated Tank operator and (ii) the volume of Crude Oil in transit by vessel or pipeline as determined by the records of each vessel or pipeline operator. In the event that Coffeyville fails to purchase such Crude Oil in accordance with the terms of this Section 17.1, Vitol shall be entitled to sell the Crude Oil and recover from Coffeyville any and all cover damages (including breakage costs) resulting therefrom.

17.2 Close Out of Transactions Under the Agreement. Upon the occurrence of an Event of Default, the Performing Party shall, in its sole discretion, in addition to all other remedies available to it and without incurring any Liabilities to the Defaulting Party or to third parties, be entitled to designate a date not earlier than the date of such notice (the **"Termination Date"**) on which all Transactions shall terminate. The Performing Party shall be entitled to close out and liquate each Transaction at its market price, as determined by the Performing Party in a commercially reasonable manner as of the Termination Date, and to calculate an amount equal to the difference, if any, between the market price and the Transfer Price for each Transaction. The Performing Party shall aggregate the net gain or loss with respect to all terminated Transactions as of the Termination Date to a single dollar amount (the **"Liquidation Amount"**). The Performing Party shall notify the Defaulting Party of the Liquidation Amount due from or due to the Defaulting Party, after taking into account any collateral or margin held by either Party (the **"Termination Payment"**).

17.3 Payment of Termination Payment. As soon as reasonably practicable after the Termination Date, the Performing Party shall provide the Defaulting Party with a statement showing, in reasonable detail, the calculation of the Liquidation Amount and the Termination Payment. If the Defaulting Party owes the Termination Payment to the Performing Party, the Defaulting Party shall pay the Termination Payment on the first (1st) Business Day after it receives the statement. If the Performing Party owes the Termination Payment to the Defaulting Party, the Performing Party shall pay the Termination Payment once it has reasonably determined all amounts owed by the Defaulting Party to it under all Transactions and its rights of setoff under Section 17.4.

17.4 Close Out of Specified Transactions. An Event of Default under this Agreement shall constitute a material breach and an event of default, howsoever described, under all Specified Transactions. The Performing Party (or any of its Affiliates) may, by giving a notice to the Defaulting Party, designate a Termination Date for all Specified Transactions and, upon such designation, terminate, liquidate and otherwise close out all Specified Transactions. If the Performing Party elects to designate a Termination Date under this Section 17.4 for Specified Transactions, the Performing Party shall calculate, in accordance with the terms set forth in such Specified Transactions, the amounts, whether positive or negative, due upon early termination under each Specified Transaction and shall determine in good faith and fair dealing the aggregate sum of such amounts, whether positive or negative **("Specified Transaction Termination Amount")**. If a particular Specified Transaction does not provide a method for determining what is owed upon termination, then the amount due upon early termination shall be determined pursuant to Section 17.2, as if the Specified Transaction was a Transaction. On the Termination Date or as soon as reasonably practicable thereafter, the Performing Party shall provide the Defaulting Party with a statement showing, in reasonable detail, the calculation of the Specified Transaction Termination Amount. If the Specified Transaction Termination Amount is a negative number, and the Performing Party owes a Termination Payment to the Defaulting Party, the Performing Party shall pay the Defaulting Party the Specified Transaction Termination Amount at the time of its payment of the Termination Payment under Section 17.2. If the Specified Transaction Termination Amount is a positive number, the Defaulting Party shall pay the Performing Party such Specified Transaction Termination Amount on demand; provided, however, that the Performing Party, at its election, may setoff any Termination Payment owed by the Defaulting Party to the Performing Party pursuant to Section 17.2 against any Specified Transaction Termination Amount owed by the Performing Party to the Defaulting Party and may setoff any Specified Transaction Termination Amount owed to the Performing Party by the Defaulting Party against any Termination Payment owed by the Performing Party to the Defaulting Party pursuant to Section 17.2. The Performing Party shall notify the Defaulting Party of any setoff affected under this Section 17.4.

17.5 Non-Exclusive Remedy. The Performing Party's rights under this Article 17 shall be in addition to, and not in limitation or exclusion of, any other rights that it may have (whether by agreement, operation of law or otherwise), including any rights and remedies under the UCC; provided, however, that (a) if the Performing Party elects to exercise its rights under Section 17.2, it shall do so with respect to all Transactions, and (b) if the Performing Party elects to exercise its rights under Section 17.4, it shall do so with respect to all Specified Transactions. The Performing Party may enforce any of its remedies under this Agreement successively or concurrently at its option. No delay or failure on the part of a Performing Party to exercise any right or remedy to which it may become entitled on account of an Event of Default shall constitute an abandonment of any such right, and the Performing Party shall be entitled to exercise such right or remedy at any time during the continuance of an Event of Default. All of the remedies and other provisions of this Article 17 shall be without prejudice and in addition to any right of setoff, recoupment, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, in equity, under contract or otherwise).

17.6 Indemnity. The Defaulting Party shall indemnify and hold harmless the Performing Party for all Liabilities incurred as a result of the Default or in the exercise of any remedies under this Article 17, including any damages, losses and expenses incurred in obtaining, maintaining or liquidating commercially reasonable hedges relating to any Crude Oil sold and WTI Contracts entered into hereunder, all as determined in a commercially reasonable manner by the Performing Party.

ARTICLE 18
INDEMNIFICATION AND CLAIMS

18.1 Vitol's Duty to Indemnify. To the fullest extent permitted by Applicable Law and except as specified otherwise elsewhere in this Agreement, Vitol shall defend, indemnify and hold harmless Coffeyville, its Affiliates, and their directors, officers, employees, representatives, agents and contractors for and against any Liabilities directly or indirectly arising out of (i) any breach by Vitol of any covenant or agreement contained herein or made in connection herewith or any representation or warranty of Vitol made herein or in connection herewith proving to be false or misleading, (ii) Vitol's handling, storage or refining of any Crude Oil or the products thereof, (iii) any failure by Vitol to comply with or observe any Applicable Law, (iv) Vitol's negligence or willful misconduct, or (v) injury, disease, or death of any person or damage to or loss of any property, fine or penalty, as well as any Liabilities directly or indirectly arising out of or relating to environmental losses such as oil discharges or violations of Environmental Law before the Delivery Point in performing its obligations under this Agreement, except to the extent that such injury, disease, death, or damage to or loss of property was caused by the negligence or willful misconduct on the part of Coffeyville, its Affiliates or any of their respective employees, representatives, agents or contractors.

18.2 Coffeyville's Duty to Indemnify. To the fullest extent permitted by Applicable Law and except as specified otherwise elsewhere in this Agreement, Coffeyville shall defend, indemnify and hold harmless Vitol, its Affiliates, and their directors, officers, employees, representatives, agents and contractors for and against any Liabilities directly or indirectly arising out of (i) any breach by Coffeyville of any covenant or agreement contained herein or made in connection herewith or any representation or warranty of Coffeyville made herein or in connection herewith proving to be false or misleading, (ii) Coffeyville's handling, storage or refining of any Crude Oil or the products thereof, (iii) Coffeyville's negligence or willful misconduct, (iv) any failure by Coffeyville to comply with or observe any Applicable Law, or (v) injury, disease, or death of any person or damage to or loss of any property, fine or penalty, any of which is caused by Coffeyville or its employees, representatives, agents or contractors in the exercise of any of the rights granted hereunder, except to the extent that such injury, disease, death, or damage to or loss of property was caused by the negligence or willful misconduct on the part of Vitol, its Affiliates or any of their respective employees, representatives, agents or contractors.

18.3 Notice of Indemnity Claim. The Party to be indemnified (the **"Indemnified Party"**) shall notify the other Party (the **"Indemnifying Party"**) as soon as practicable after receiving notice of any claim, demand, suit or proceeding brought against it which may give rise to the Indemnifying Party's obligations under this Agreement (such claim, demand, suit or proceeding, a **"Third Party Claim"**), and shall furnish to the Indemnifying Party the complete details within its knowledge. Any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall not relieve the Indemnifying Party of its obligations except to the extent, if any, that the Indemnifying Party shall have been materially prejudiced by reason of such delay or failure.

18.4 Defense of Indemnity Claim. The Indemnifying Party shall have the right to assume the defense, at its own expense and by its own counsel, of any Third Party Claim; provided, however, that such counsel is reasonably acceptable to the Indemnified Party. Notwithstanding the Indemnifying Party's appointment of counsel to represent an Indemnified Party, the Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present a conflict of interest or (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within a reasonable time after notice of the institution of such Third Party Claim. If requested by the Indemnifying Party, the Indemnified Party agrees to reasonably cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or suit that the Indemnifying Party defends, including, if appropriate, making any counterclaim or cross-complaint. All costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party.

18.5 Settlement of Indemnity Claim. No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the consent of the Indemnifying Party or (ii) by the Indemnifying Party without the consent of the Indemnified Party. Notwithstanding the foregoing, an Indemnifying Party shall not be entitled to assume responsibility for and control of any judicial or administrative proceedings if such proceedings involves an Event of Default by the Indemnifying Party which shall have occurred and be continuing. The mere purchase and existence of insurance does not reduce or release either Party from any liability incurred or assumed under this Agreement.

ARTICLE 19
LIMITATION ON DAMAGES

Except as otherwise expressly provided in this Agreement, the Parties' liability for damages is limited to direct, actual damages only, and neither Party shall be liable for specific performance, lost profits or other business interruption damages, or special, consequential, incidental, punitive, exemplary or indirect damages, in tort, contract or otherwise, of any kind, arising out of or in any way connected with the performance, the suspension of performance, the failure to perform or the termination of this Agreement. Each Party acknowledges the duty to mitigate damages hereunder.

ARTICLE 20
AUDIT RIGHTS

During the Term, either Party and its duly authorized representatives, upon reasonable notice and during normal working hours, shall have access to the accounting records and other documents maintained by the other Party that relate to this Agreement. Notwithstanding the foregoing, in no event shall either Party have any obligation to share with the other Party any books and records for transactions other than Transactions under this Agreement.

ARTICLE 21
CONFIDENTIALITY

21.1 Confidentiality Obligation. The Parties agree that the specific terms and conditions of this Agreement and any information exchanged between the Parties under this Agreement are confidential and shall not disclose them to any third party, except (a) as may be required by court order, Applicable Laws or a Governmental Authority or (b) to such Party's or its Affiliates' employees, auditors, directors, consultants, banks, financial advisors, rating agencies, insurance companies, insurance brokers and legal advisors. All information subject to this confidentiality obligation shall only be used for purposes of and with regard to this Agreement and shall not be used by either Coffeyville or Vitol for any other purpose. Vitol acknowledges that pursuant to this Agreement it will be receiving material nonpublic information with regard to CVR Energy, Inc. and will be prohibited from trading in CVR Energy's, Inc. shares while in possession of such information, as U.S. securities laws prohibit trading shares of a company while in possession of material nonpublic information. Coffeyville's Affiliates shall include Kelso & Company solely for the purposes of this Section. The confidentiality obligations under this Agreement shall survive termination of this Agreement for a period of one (1) year following the Termination Date. Notwithstanding anything to the contrary herein, the Parties agree that this Agreement may be filed at the SEC with any redactions therein, that may be requested by Coffeyville (after consultation with Vitol) and accepted by the SEC.

21.2 Disclosure. In the case of disclosure covered by Section 21.1(a) and if the disclosing Party's counsel advises that it is permissible to do so, the disclosing Party shall notify the other Party in writing of any proceeding of which it is aware that may result in disclosure, and use reasonable efforts to prevent or limit such disclosure. The Parties shall be entitled to all remedies available at law, or in equity, to enforce or seek relief in connection with the confidentiality obligations contained herein.

21.3 Tax Matters. Notwithstanding the foregoing, each Party agrees that it and its parent, subsidiaries and their directors, officers, employees, agents or attorneys may disclose to any and all persons the structure and any of the tax aspects of this Agreement transaction that are necessary to describe or support any U.S. federal income tax benefits that may result therefrom, or any materials relating thereto, that either Party has provided or will provide to the other Party and its subsidiaries and their directors, officers, employees, agents or attorneys in connection with this Agreement, except where confidentiality is reasonably necessary to comply with Applicable Laws.

ARTICLE 22
GOVERNING LAW

22.1 Choice of Law. This Agreement shall be governed by, construed and enforced under the laws of the State of New York without giving effect to its conflicts of laws principles.

22.2 Jurisdiction. Each of the Parties hereby irrevocably submits to the non-exclusive jurisdiction of any federal court of competent jurisdiction situated in the Borough of Manhattan, New York, or, if any federal court declines to exercise or does not have jurisdiction, in any New York state court in the Borough of Manhattan (without recourse to arbitration unless both Parties agree in writing), and to service of process by certified mail, delivered to the Party at the address indicated below. Each Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, any objection to personal jurisdiction, whether on grounds of venue, residence or domicile.

22.3 Waiver. Each Party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any proceedings relating to this agreement.

ARTICLE 23
ASSIGNMENT

23.1 Successors. This Agreement shall inure to the benefit of and be binding upon the Parties, their respective successors and permitted assigns.

23.2 No Assignment. Neither Party shall assign this Agreement or its rights or interests hereunder in whole or in part, or delegate its obligations hereunder in whole or in part, without the express written consent, which consent shall not be unreasonably withheld, of the other Party except in the case of assignment to an Affiliate if (a) such Affiliate assumes in writing all of the obligations of the assignor and (b) the assignor provides the other Party with evidence of the Affiliate's financial responsibility at least equal to that of the assignor. Further, no consent shall be required for transfer of an interest in this Agreement by merger provided that the transferee entity (x) assumes in writing all of the obligations of the transferor and (y) provides the other Party with evidence of financial responsibility at least equal to that of the transferor. If written consent is given for any assignment, the assignor shall remain jointly and severally liable with the assignee for the full performance of the assignor's obligations under this Agreement, unless the Parties otherwise agree in writing.

23.3 Null and Void. Any attempted assignment in violation of this Article 23 shall be null and void *ab initio* and the non-assigning Party shall have the right, without prejudice to any other rights or remedies it may have hereunder or otherwise, to terminate this Agreement effective immediately upon notice to the Party attempting such assignment.

23.4 Assignment of Claims. If a dispute, claim or controversy should arise hereunder between Vitol and any Counterparty and Vitol is unwilling to contest or litigate such matter, the Parties shall agree to an assignment of Vitol's rights and interests as necessary to allow Coffeyville to contest, litigate or resolve such matter by a mutually acceptable alternative means that will allow Coffeyville to pursue the claim.

ARTICLE 24
NOTICES

All invoices, notices, requests and other communications given pursuant to this Agreement shall be in writing and sent by facsimile, electronic mail or overnight courier. A notice shall be deemed to have been received when transmitted (if confirmed by the notifying Party's transmission report), or on the following Business Day if received after 5:00 p.m. EST, at the respective Party's address set forth below and to the attention of the person or department indicated. A Party may change its address, facsimile number or electronic mail address by giving written notice in accordance with this Article 24, which notice is effective upon receipt.

If to Coffeyville to:

Coffeyville Resources Refining & Marketing, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attn: Chief Executive Officer
Fax: (281) 207- 3505
E-Mail: jjlipinski@cvrenergy.com

With a copy to:

Coffeyville Resources Refining & Marketing, LLC
10 East Cambridge Circle Drive, Suite 250
Kansas City, Kansas 66103
Attn: General Counsel
Fax: (913) 982-5651
E-Mail: esgross@cvrenergy.com

If to VITOL to:

Vitol Inc.
1100 Louisiana Street, Suite 55
Houston, Texas 77002
Attn: James Dyer, IV
Fax: 713-230-1111
E-Mail: jcd@vitol.com

With a copy to:

Robbi Rossi
8904 FM 2920
Spring, Texas 77379
Fax: 281-251-7416
E-Mail: robbi@robbirossi.com

ARTICLE 25
NO WAIVER, CUMULATIVE REMEDIES

25.1 No Waiver. The failure of a Party hereunder to assert a right or enforce an obligation of the other Party shall not be deemed a waiver of such right or obligation. The waiver by any Party of a breach of any provision of, Event of Default or Potential Event of Default under this Agreement shall not operate or be construed as a waiver of any other breach of that provision or as a waiver of any breach of another provision of, Event of Default or Potential Event of Default under this Agreement, whether of a like kind or different nature.

25.2 Cumulative Remedies. Each and every right granted to the Parties under this Agreement or allowed to the Parties by law or equity, shall be cumulative and may be exercised from time to time in accordance with the terms thereof and applicable law.

ARTICLE 26
NATURE OF THE TRANSACTION AND RELATIONSHIP OF PARTIES

26.1 No Partnership. This Agreement shall not be construed as creating a partnership, association or joint venture between the Parties. It is understood that Coffeyville is an independent contractor with complete charge of its employees and agents in the performance of its duties hereunder, and, except as specifically set forth in Section 6.6(b), nothing herein shall be construed to make Coffeyville, or any employee or agent of Coffeyville, an agent or employee of Vitol.

26.2 Nature of the Transaction. Although the Parties intend and expect that the transactions contemplated hereunder constitute purchases and sales of Crude Oil between them, in the event that any transaction contemplated hereunder is reconstrued by any court, bankruptcy trustee or similar authority to constitute a loan from Vitol to Coffeyville, then Coffeyville shall be deemed to have pledged all Crude Oil (until such time as payment in respect of such Crude Oil has been made in accordance with the terms of this Agreement) as security for the performance of Coffeyville's obligations under this Agreement, and shall be deemed to have granted to Vitol a first priority lien and security interest in such Crude Oil and all the proceeds thereof. Coffeyville hereby authorizes Vitol to file a UCC financing statement with respect to all Crude Oil, whether now owned or hereafter acquired, and all proceeds thereof. Notwithstanding the foregoing, the filing of any UCC financing statements made pursuant to this Agreement shall in no way be construed as being contrary to the intent of the Parties that the transactions evidenced by this Agreement be treated as sales of Crude Oil by Vitol to Coffeyville.

26.3 No Authority. Neither Party shall have the right or authority to negotiate, conclude or execute any contract or legal document with any third person on behalf of the other Party, to assume, create, or incur any liability of any kind, express or implied, against or in the name of the other Party, or to otherwise act as the representative of the other Party, unless expressly authorized in writing by the other Party.

ARTICLE 27
MISCELLANEOUS

27.1 Severability. If any Article, Section or provision of this Agreement shall be determined to be null and void, voidable or invalid by a court of competent jurisdiction, then for such period that the same is void or invalid, it shall be deemed to be deleted from this Agreement and the remaining portions of this Agreement shall remain in full force and effect.

27.2 Entire Agreement. The terms of this Agreement constitute the entire agreement between the Parties with respect to the matters set forth in this Agreement, and no representations or warranties shall be implied or provisions added in the absence of a written agreement to such effect between the Parties. This Agreement shall not be modified or changed except by written instrument executed by a duly authorized representative of each Party.

27.3 No Representations. No promise, representation or inducement has been made by either Party that is not embodied in this Agreement, and neither Party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

27.4 Time of the Essence. Time is of the essence with respect to all aspects of each Party's performance of any obligations under this Agreement.

27.5 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended to create any rights, obligations or benefits under this Agreement in any Person other than the Parties and their successors and permitted assigns.

27.6 Survival. All confidentiality, payment and indemnification obligations (including the payment and indemnification obligations that arise out of termination) shall survive the expiration or termination of this Agreement.

27.7 Counterparts. This Agreement may be executed by the Parties in separate counterparts and initially delivered by facsimile transmission or otherwise, with original signature pages to follow and all such counterparts shall together constitute one and the same instrument.

27.8 FCPA. Each Party will comply strictly with the United States Foreign Corrupt Practices Act (the **"FCPA"**) and all anti-corruption laws and regulations of any country in which a Party performs obligations related to this Agreement. In furtherance of each Party's FCPA compliance obligations, at no time during the continuance of this Agreement, will either Party pay, offer, give or promise to pay or give, any monies or any other thing of value, directly or indirectly to: (a) any officer or employee of any government, or any department, agency or instrumentality of any government; (b) any other person acting for, or on behalf of, any government, or any department, agency or instrumentality of any government; (c) any political party or any official of a political party; (d) any candidate for political office; (e) any officer, employee or other person acting for, or on behalf of, any public international organization; or (f) any other person, firm, corporation or other entity at the suggestion, request or direction of, or for the benefit of, any of the foregoing persons. Each Party represents and warrants that: (i) it is not owned or controlled by, or otherwise affiliated with, any government, or any department, agency or instrumentality of any government; and (ii) none of its officers, directors, principal shareholders or owners is an official or employee of any government or any department, agency or instrumentality of any government. Each Party acknowledges and agrees that breach of this section by one Party will be grounds for termination of this Agreement by the other Party.

27.9 Guaranties. On or before the effective date of this Agreement as first set forth above, Coffeyville shall deliver to Vitol the Coffeyville Guaranty in the form set form and attached hereto as Exhibit A and Vitol shall deliver to Coffeyville the Vitol Guaranty in the form set forth and attached hereto as Exhibit B.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its duly authorized representative, effective as of the Effective Date.

Vitol Inc.

By: /s/ M.A. Loya

Title: President

Date: March 30, 2011

Coffeyville Resources Refining & Marketing, LLC

By: /s/ John J. Lipinski

Title: CEO

Date: March 30, 2011

Exhibit 31.1

Certification by Chief Executive Officer Pursuant to
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Lipinski, certify that:

1. I have reviewed this Report on Form 10-Q of CVR Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JOHN J. LIPINSKI
John J. Lipinski
Chief Executive Officer

Date: May 10, 2011

Exhibit 31.2

Certification of Chief Financial Officer Pursuant to
Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934,
As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Edward Morgan, certify that:

1. I have reviewed this Report on Form 10-Q of CVR Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ EDWARD MORGAN
Edward Morgan
Chief Financial Officer

Date: May 10, 2011

Exhibit 32.1

Certification of the Company's Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report of CVR Energy, Inc., a Delaware corporation (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Lipinski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

By: /s/ JOHN J. LIPINSKI
John J. Lipinski
Chief Executive Officer

Dated: May 10, 2011

Exhibit 32.2

Certification of the Company's Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing of the Quarterly Report of CVR Energy, Inc., a Delaware corporation (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edward Morgan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

By: /s/ EDWARD MORGAN
Edward Morgan
Chief Financial Officer

Dated: May 10, 2011

Risks Related to the Petroleum Business

The price volatility of crude oil, other feedstocks and refined products may have a material adverse effect on our earnings, profitability and cash flows.

Our petroleum business' financial results are primarily affected by the relationship, or margin, between refined product prices and the prices for crude oil and other feedstocks. When the margin between refined product prices and crude oil and other feedstock prices narrows, our earnings, profitability and cash flows are negatively affected. Refining margins historically have been volatile and are likely to continue to be volatile, as a result of a variety of factors including fluctuations in prices of crude oil, other feedstocks and refined products. Continued future volatility in refining industry margins may cause a decline in our results of operations, since the margin between refined product prices and feedstock prices may decrease below the amount needed for us to generate net cash flow sufficient for our needs. Although an increase or decrease in the price for crude oil generally results in a similar increase or decrease in prices for refined products, there is normally a time lag in the realization of the similar increase or decrease in prices for refined products. The effect of changes in crude oil prices on our results of operations therefore depends in part on how quickly and how fully refined product prices adjust to reflect these changes. A substantial or prolonged increase in crude oil prices without a corresponding increase in refined product prices, or a substantial or prolonged decrease in refined product prices without a corresponding decrease in crude oil prices, could have a significant negative impact on our earnings, results of operations and cash flows.

Our profitability is also impacted by the ability to purchase crude oil at a discount to benchmark crude oils, such as WTI, as we do not produce any crude oil and must purchase all of the crude oil we refine. These crude oils include, but are not limited to, crude oil from our gathering system. Crude oil differentials can fluctuate significantly based upon overall economic and crude oil market conditions. Declines in crude oil differentials can adversely impact refining margins, earnings and cash flows.

Refining margins are also impacted by domestic and global refining capacity. Continued downturns in the economy impact the demand for refined fuels and, in turn, generate excess capacity. In addition, the expansion and construction of refineries domestically and globally can increase refined fuel production capacity. Excess capacity can adversely impact refining margins, earnings and cash flows.

Volatile prices for natural gas and electricity affect our manufacturing and operating costs. Natural gas and electricity prices have been, and will continue to be, affected by supply and demand for fuel and utility services in both local and regional markets.

Our internally generated cash flows and other sources of liquidity may not be adequate for our capital needs.

If we cannot generate adequate cash flow or otherwise secure sufficient liquidity to meet our working capital needs or support our short-term and long-term capital requirements, we may be unable to meet our debt obligations, pursue our business strategies or comply with certain environmental standards, which would have a material adverse effect on our business and results of operations. As of March 31, 2011, we had cash and cash equivalents of $165.9 million and $208.4 million available under our asset-backed revolving credit facility ("ABL credit facility"). Our availability under the ABL credit facility is reduced by outstanding letters of credit. Crude oil price volatility can significantly impact working capital on a week-to-week and month-to-month basis.

We have short-term and long-term capital needs. Our short-term working capital needs are primarily crude oil purchase requirements, which fluctuate with the pricing and sourcing of crude oil. Our long-term capital needs include capital expenditures we are required to make to comply with Tier II gasoline standards and the Consent Decree. The remaining costs of complying with the Consent Decree are expected to be approximately $49 million, of which approximately $47 million is expected to be capital expenditures. We also have budgeted capital expenditures for turnarounds at each of our facilities, and from time to time we are required to spend significant amounts for repairs when one or more facilities experiences temporary shutdowns. We also have significant debt service obligations. Our liquidity position will affect our ability to satisfy any of these needs.

If we are required to obtain our crude oil supply without the benefit of a crude oil supply agreement, our exposure to the risks associated with volatile crude oil prices may increase and our liquidity may be reduced.

We currently obtain the majority of our crude oil supply through the Supply Agreement with Vitol, which was entered into on March 30, 2011 to replace an existing supply agreement with Vitol. The Supply Agreement, whose initial term expires on December 31, 2013, minimizes the amount of in-transit inventory and mitigates crude oil pricing risks by ensuring pricing takes place extremely close to the time when the crude oil is refined and the yielded products are sold. If we were required to obtain our crude oil supply without the benefit of an intermediation agreement, our exposure to crude oil pricing risks may increase, despite any hedging activity in which we may engage, and our liquidity would be negatively impacted due to the increased inventory and the negative impact of market volatility.

Disruption of our ability to obtain an adequate supply of crude oil could reduce our liquidity and increase our costs.

In addition to the crude oil we gather locally in Kansas, Oklahoma, Missouri, and Nebraska, we purchase an additional 85,000 to 100,000 bpd of crude oil to be refined into liquid fuel. We obtain a portion of our non-gathered crude oil, approximately 16% in 2010, from foreign sources. The majority of these non-gathered foreign sourced crude oil barrels were derived from Canada. In addition to Canadian crude oil, we have access to crude oils from Latin America, South America, the Middle East, West Africa and the North Sea. The actual amount of foreign crude oil we purchase is dependent on market conditions and will vary from year to year. We are subject to the political, geographic, and economic risks attendant to doing business with suppliers located in those regions. Disruption of production in any of such regions for any reason could have a material impact on other regions and our business. In the event that one or more of our traditional suppliers becomes unavailable to us, we may be unable to obtain an adequate supply of crude oil, or we may only be able to obtain our crude oil supply at unfavorable prices. As a result, we may experience a reduction in our liquidity and our results of operations could be materially adversely affected.

Severe weather, including hurricanes along the U.S. Gulf Coast, have in the past and could in the future interrupt our supply of crude oil. Supplies of crude oil to our refinery are periodically shipped from U.S. Gulf Coast production or terminal facilities, including through the Seaway Pipeline from the U.S. Gulf Coast to Cushing, Oklahoma. U.S. Gulf Coast facilities could be subject to damage or production interruption from hurricanes or other severe weather in the future which could interrupt or materially adversely affect our crude oil supply. If our supply of crude oil is interrupted, our business, financial condition and results of operations could be materially adversely impacted.

If our access to the pipelines on which we rely for the supply of our feedstock and the distribution of our products is interrupted, our inventory and costs may increase and we may be unable to efficiently distribute our products.

If one of the pipelines on which we rely for supply of our crude oil becomes inoperative, we would be required to obtain crude oil for our refinery through an alternative pipeline or from additional tanker trucks, which could increase our costs and result in lower production levels and profitability. Similarly, if a major refined fuels pipeline becomes inoperative, we would be required to keep refined fuels in inventory or supply refined fuels to our customers through an alternative pipeline or by additional tanker trucks from the refinery, which could increase our costs and result in a decline in profitability.

Our petroleum business' financial results are seasonal and generally lower in the first and fourth quarters of the year, which may cause volatility in the price of our common stock.

Demand for gasoline products is generally higher during the summer months than during the winter months due to seasonal increases in highway traffic and road construction work. As a result, our results of operations for the first and fourth calendar quarters are generally lower than for those for the second and third quarters. Further, reduced agricultural work during the winter months somewhat depresses demand for diesel fuel in the winter months. In addition to the overall seasonality of our business, unseasonably cool weather in the summer months and/or unseasonably warm weather in the winter months in the markets in which we sell our petroleum products could have the effect of reducing demand for gasoline and diesel fuel which could result in lower prices and reduce operating margins.

We face significant competition, both within and outside of our industry. Competitors who produce their own supply of feedstocks, have extensive retail outlets, make alternative fuels or have greater financial resources than we do may have a competitive advantage over us.

The refining industry is highly competitive with respect to both feedstock supply and refined product markets. We may be unable to compete effectively with our competitors within and outside of our industry, which could result in reduced profitability. We compete with numerous other companies for available supplies of crude oil and other feedstocks and for outlets for our refined products. We are not engaged in the petroleum exploration and production business and therefore we do not produce any of our crude oil feedstocks. We do not have a retail business and therefore are dependent upon others for outlets for our refined products. We do not have any long-term arrangements (those exceeding more than a twelve-month period) for much of our output. Many of our competitors in the United States as a whole, and one of our regional competitors, obtain significant portions of their feedstocks from company-owned production and have extensive retail outlets. Competitors that have their own production or extensive retail outlets with brand-name recognition are at times able to offset losses from refining operations with profits from producing or retailing operations, and may be better positioned to withstand periods of depressed refining margins or feedstock shortages.

A number of our competitors also have materially greater financial and other resources than us. These competitors may have a greater ability to bear the economic risks inherent in all aspects of the refining industry. An expansion or upgrade of our competitors' facilities, price volatility, international political and economic developments and other factors are likely to continue to play an important role in refining industry economics and may add additional competitive pressure on us.

In addition, we compete with other industries that provide alternative means to satisfy the energy and fuel requirements of our industrial, commercial and individual consumers. The more successful these alternatives become as a result of governmental incentives or regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the negative impact on pricing and demand for our products and our profitability. There are presently significant governmental incentives and consumer pressures to increase the use of alternative fuels in the United States.

Changes in our credit profile may affect our relationship with our suppliers, which could have a material adverse effect on our liquidity and our ability to operate our refineries at full capacity.

Changes in our credit profile may affect the way crude oil suppliers view our ability to make payments and may induce them to shorten the payment terms for our purchases or require us to post security prior to payment. Given the large dollar amounts and volume of our crude oil and other feedstock purchases, a burdensome change in payment terms may have a material adverse effect on our liquidity and our ability to make payments to our suppliers. This, in turn, could cause us to be unable to operate our refineries at full capacity. A failure to operate our refinery at full capacity could adversely affect our profitability and cash flows.

The recent adoption of derivatives legislation by the U.S. Congress could have an adverse effect on our ability to hedge risks associated with our business.

The U.S. Congress adopted comprehensive financial reform legislation, known as the Dodd-Frank Act, that establishes federal oversight and regulation of the over-the-counter derivatives market and entities that participate in that market. The Dodd-Frank Act was signed into law by the President on July 21, 2010, and requires the Commodities Futures Trading Commission ("CFTC") and the SEC to promulgate rules and regulations implementing the new legislation within 360 days from the date of enactment. The act also requires the CFTC to institute broad new position limits for futures and options traded on regulated exchanges. Although certain of the rules and regulations may be delayed, and we cannot predict the ultimate outcome of the rulemakings, new regulations in this area may result in increased costs and cash collateral for derivative instruments we may use to hedge and otherwise manage our financial risks related to volatility in oil and gas commodity prices.

Risks Related to the Nitrogen Fertilizer Business

The nitrogen fertilizer business is, and nitrogen fertilizer prices are, cyclical and highly volatile, and the nitrogen fertilizer business has experienced substantial downturns in the past. Cycles in demand and pricing could potentially expose the nitrogen fertilizer business to significant fluctuations in its operating and financial results, and have a material adverse effect on our earnings, profitability and cash flows.

The nitrogen fertilizer business is exposed to fluctuations in nitrogen fertilizer demand in the agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices across all nitrogen fertilizer products and, in turn, our results of operations, financial condition and cash flows.

Nitrogen fertilizer products are commodities, the price of which can be highly volatile. The prices of nitrogen fertilizer products depend on a number of factors, including general economic conditions, cyclical trends in end-user markets, supply and demand imbalances, and weather conditions, which have a greater relevance because of the seasonal nature of fertilizer application. If seasonal demand exceeds the projections on which we base production, customers may acquire nitrogen fertilizer products from competitors, and the profitability of the nitrogen fertilizer business will be negatively impacted. If seasonal demand is less than expected, the nitrogen fertilizer business will be left with excess inventory that will have to be stored or liquidated.

Demand for nitrogen fertilizer products is dependent on demand for crop nutrients by the global agricultural industry. Nitrogen-based fertilizers are currently in high demand, driven by a growing world population, changes in dietary habits and an expanded use of corn for the production of ethanol. Supply is affected by available capacity and operating rates, raw material costs, government policies and global trade. A decrease in nitrogen fertilizer prices would have a material adverse effect on our results of operations, financial condition and cash flows.

The costs associated with operating the nitrogen fertilizer plant are largely fixed. If nitrogen fertilizer prices fall below a certain level, the nitrogen fertilizer business may not generate sufficient revenue to operate profitably or cover its costs.

The nitrogen fertilizer plant has largely fixed costs compared to natural gas-based nitrogen fertilizer plants. As a result, downtime, interruptions or low productivity due to reduced demand, adverse weather conditions, equipment failure, a decrease in nitrogen fertilizer prices or other causes can result in significant operating losses. Declines in the price of nitrogen fertilizer products could have a material adverse effect on our results of operations and financial condition. Unlike its competitors, whose primary costs are related to the purchase of natural gas and whose costs are therefore largely variable, the nitrogen fertilizer business has largely fixed costs that are not dependent on the price of natural gas because it uses pet coke as the primary feedstock in its nitrogen fertilizer plant.

A decline in natural gas prices could impact the nitrogen fertilizer business' relative competitive position when compared to other nitrogen fertilizer producers.

Most nitrogen fertilizer manufacturers rely on natural gas as their primary feedstock, and the cost of natural gas is a large component of the total production cost for natural gas-based nitrogen fertilizer manufacturers. The dramatic increase in nitrogen fertilizer prices in recent years was not the direct result of an increase in natural gas prices, but rather the result of increased demand for nitrogen-based fertilizers due to historically low stocks of global grains and a surge in the prices of corn and wheat, the primary crops in the nitrogen fertilizer business' region. This increase in demand for nitrogen-based fertilizers has created an environment in which nitrogen fertilizer prices have disconnected from their traditional correlation with natural gas prices. A decrease in natural gas prices would benefit the nitrogen fertilizer business' competitors and could disproportionately impact our operations by making the nitrogen fertilizer business less competitive with natural gas-based nitrogen fertilizer manufacturers. A decline in natural gas prices could impair the nitrogen fertilizer business' ability to compete with other nitrogen fertilizer producers who utilize natural gas as their primary feedstock, and therefore have a material adverse impact on the cash flows of the nitrogen fertilizer business. In addition, if natural gas prices in the United States were to decline to a level that prompts those U.S. producers who have permanently or temporarily closed production facilities to resume fertilizer production, this would likely contribute to a global supply/demand imbalance that could negatively affect nitrogen fertilizer prices and therefore have a material adverse effect on our results of operations, financial condition and cash flows.

Any decline in U.S. agricultural production or limitations on the use of nitrogen fertilizer for agricultural purposes could have a material adverse effect on the market for nitrogen fertilizer, and on our results of operations, financial condition and cash flows.

Conditions in the U.S. agricultural industry significantly impact the operating results of the nitrogen fertilizer business. The U.S. agricultural industry can be affected by a number of factors, including weather patterns and field conditions, current and projected grain inventories and prices, domestic and international demand for U.S. agricultural products and U.S. and foreign policies regarding trade in agricultural products.

State and federal governmental policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of fertilizers for particular agricultural applications. Developments in crop technology, such as nitrogen fixation, the conversion of atmospheric nitrogen into compounds that plants can assimilate, could also reduce the use of chemical fertilizers and adversely affect the demand for nitrogen fertilizer. In addition, from time to time various state legislatures have considered limitations on the use and application of chemical fertilizers due to concerns about the impact of these products on the environment.

A major factor underlying the current high level of demand for nitrogen-based fertilizer products is the expanding production of ethanol. A decrease in ethanol production, an increase in ethanol imports or a shift away from corn as a principal raw material used to produce ethanol could have a material adverse effect on our results of operations, financial condition and cash flows.

A major factor underlying the current high level of demand for nitrogen-based fertilizer products produced by the nitrogen fertilizer business is the expanding production of ethanol in the United States and the expanded use of corn in ethanol production. Ethanol production in the United States is highly dependent upon a myriad of federal and state legislation and regulations, and is made significantly more competitive by various federal and state incentives. Such incentive programs may not be renewed, or if renewed, they may be renewed on terms significantly less favorable to ethanol producers than current incentive programs. Studies showing that expanded ethanol production may increase the level of greenhouse gases in the environment may reduce political support for ethanol production. The elimination or significant reduction in ethanol incentive programs, such as the 45 cents per gallon ethanol tax credit and the 54 cents per gallon ethanol import tariff, could have a material adverse effect on our results of operations, financial condition and cash flows.

Further, most ethanol is currently produced from corn and other raw grains, such as milo or sorghum — especially in the Midwest. The current trend in ethanol production research is to develop an efficient method of producing ethanol from cellulose-based biomass, such as agricultural waste, forest residue, municipal solid waste and energy crops (plants grown for use to make biofuels or directly exploited for their energy content). This trend is driven by the fact that cellulose-based biomass is generally cheaper than corn, and producing ethanol from cellulose-based biomass would create opportunities to produce ethanol in areas that are unable to grow corn. Although current technology is not sufficiently efficient to be competitive, new conversion technologies may be developed in the future. If an efficient method of producing ethanol from cellulose-based biomass is developed, the demand for corn may decrease significantly, which could reduce demand for nitrogen fertilizer products and have a material adverse effect on our results of operations, financial condition and cash flows.

Nitrogen fertilizer products are global commodities, and the nitrogen fertilizer business faces intense competition from other nitrogen fertilizer producers.

The nitrogen fertilizer business is subject to intense price competition from both U.S. and foreign sources, including competitors operating in the Persian Gulf, the Asia-Pacific region, the Caribbean, Russia and the Ukraine. Fertilizers are global commodities, with little or no product differentiation, and customers make their purchasing decisions principally on the basis of delivered price and availability of the product. Furthermore, in recent years the price of nitrogen fertilizer in the United States has been substantially driven by pricing in the global fertilizer market. The nitrogen fertilizer business competes with a number of U.S. producers and producers in other countries, including state-owned and government-subsidized entities. Some competitors have greater total resources and are less dependent on earnings from fertilizer sales, which makes them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. The nitrogen fertilizer business' competitive position could suffer to the extent it is not able to expand its resources either through investments in new or existing operations or through acquisitions, joint ventures or partnerships. An inability to compete successfully could result in the loss of customers, which could adversely affect the sales, profitability and the cash flows of the nitrogen fertilizer business and therefore have a material adverse effect on our results of operations, financial condition and cash flows.

Adverse weather conditions during peak fertilizer application periods may have a material adverse effect on our results of operations, financial condition and cash flows, because the agricultural customers of the nitrogen fertilizer business are geographically concentrated.

The nitrogen fertilizer business' sales to agricultural customers are concentrated in the Great Plains and Midwest states and are seasonal in nature. For example, the nitrogen fertilizer business generates greater net sales and operating income in the first half of the year, which is referred to herein as the planting season, compared to the second half of the year. Accordingly, an adverse weather pattern affecting agriculture in these regions or during the planting season could have a negative effect on fertilizer demand, which could, in turn, result in a material decline in the nitrogen fertilizer business' net sales and margins and otherwise have a material adverse effect on our results of operations, financial condition and cash flows. The nitrogen fertilizer business' quarterly results may vary significantly from one year to the next due largely to weather-related shifts in planting schedules and purchase patterns. As a result, it is expected that the nitrogen fertilizer business' distributions to holders of its common units (including us) will be volatile and will vary quarterly and annually.

The nitrogen fertilizer business is seasonal, which may result in it carrying significant amounts of inventory and seasonal variations in working capital. Our inability to predict future seasonal nitrogen fertilizer demand accurately may result in excess inventory or product shortages.

The nitrogen fertilizer business is seasonal. Farmers tend to apply nitrogen fertilizer during two short application periods, one in the spring and the other in the fall. The strongest demand for nitrogen fertilizer products typically occurs during the planting season. In contrast, the nitrogen fertilizer business and other nitrogen fertilizer producers generally produce products throughout the year. As a result, the nitrogen fertilizer business and its customers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. The seasonality of nitrogen fertilizer demand results in sales volumes and net sales being highest during the North American spring season and working capital requirements typically being highest just prior to the start of the spring season.

If seasonal demand exceeds projections, the nitrogen fertilizer business will not have enough product and its customers may acquire products from its competitors, which would negatively impact profitability. If seasonal demand is less than expected, the nitrogen fertilizer business will be left with excess inventory and higher working capital and liquidity requirements.

The degree of seasonality of the nitrogen fertilizer business can change significantly from year to year due to conditions in the agricultural industry and other factors. As a consequence of such seasonality, it is expected that the distributions we receive from the nitrogen fertilizer business will be volatile and will vary quarterly and annually.

The nitrogen fertilizer business' operations are dependent on third party suppliers, including Linde, which owns an air separation plant that provides oxygen, nitrogen and compressed dry air to its gasifiers, and the City of Coffeyville, which supplies the nitrogen fertilizer business with electricity. A deterioration in the financial condition of a third party supplier, a mechanical problem with the air separation plant, or the inability of a third party supplier to perform in accordance with its contractual obligations could have a material adverse effect on our results of operations, financial condition and cash flows.

The operations of the nitrogen fertilizer business depend in large part on the performance of third party suppliers, including Linde for the supply of oxygen, nitrogen and compressed dry air, and the City of Coffeyville for the supply of electricity. With respect to Linde, operations could be adversely affected if there were a deterioration in Linde's financial condition such that the operation of the air separation plant located adjacent to the nitrogen fertilizer plant was disrupted. Additionally, this air separation plant in the past has experienced numerous short-term interruptions, causing interruptions in gasifier operations. With respect to electricity, we recently settled litigation with the City of Coffeyville regarding the price they sought to charge the nitrogen fertilizer business for electricity and entered into an amended and restated electric services agreement which gives the nitrogen fertilizer business an option to extend the term of such agreement through June 30, 2024. Should Linde, the City of Coffeyville or any of its other third party suppliers fail to perform in accordance with existing contractual arrangements, operations could be forced to halt. Alternative sources of supply could be difficult to obtain. Any shutdown of operations at the nitrogen fertilizer plant, even for a limited period, could have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business' results of operations, financial condition and cash flows may be adversely affected by the supply and price levels of pet coke.

The profitability of the nitrogen fertilizer business is directly affected by the price and availability of pet coke obtained from our crude oil refinery pursuant to a long-term agreement and pet coke purchased from third parties, both of which vary based on market prices. Pet coke is a key raw material used by the nitrogen fertilizer business in the manufacture of nitrogen fertilizer products. If pet coke costs increase, the nitrogen fertilizer business may not be able to increase its prices to recover these increased costs, because market prices for nitrogen fertilizer products are not correlated with pet coke prices.

The nitrogen fertilizer business may not be able to maintain an adequate supply of pet coke. In addition, it could experience production delays or cost increases if alternative sources of supply prove to be more expensive or difficult to obtain. The nitrogen fertilizer business currently purchases 100% of the pet coke the refinery produces. Accordingly, if the nitrogen fertilizer business increases production, it will be more dependent on pet coke purchases from third party suppliers at open market prices. There is no assurance that the nitrogen fertilizer business would be able to purchase pet coke on comparable terms from third parties or at all.

The nitrogen fertilizer business relies on third party providers of transportation services and equipment, which subjects it to risks and uncertainties beyond its control that may have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business relies on railroad and trucking companies to ship finished products to its customers. The nitrogen fertilizer business also leases railcars from railcar owners in order to ship its finished products. These transportation operations, equipment and services are subject to various hazards, including extreme weather conditions, work stoppages, delays, spills, derailments and other accidents and other operating hazards.

These transportation operations, equipment and services are also subject to environmental, safety and other regulatory oversight. Due to concerns related to terrorism or accidents, local, state and federal governments could implement new regulations affecting the transportation of the nitrogen fertilizer business' finished products. In addition, new regulations could be implemented affecting the equipment used to ship its finished products.

Any delay in the nitrogen fertilizer business' ability to ship its finished products as a result of these transportation companies' failure to operate properly, the implementation of new and more stringent regulatory requirements affecting transportation operations or equipment, or significant increases in the cost of these services or equipment could have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business' results of operations are highly dependent upon and fluctuate based upon business and economic conditions and governmental policies affecting the agricultural industry. These factors are outside of our control and may significantly affect our profitability.

The nitrogen fertilizer business' results of operations are highly dependent upon business and economic conditions and governmental policies affecting the agricultural industry, which we cannot control. The agricultural products business can be affected by a number of factors. The most important of these factors, for U.S. markets, are:

- weather patterns and field conditions (particularly during periods of traditionally high nitrogen fertilizer consumption);
- quantities of nitrogen fertilizers imported to and exported from North America;
- current and projected grain inventories and prices, which are heavily influenced by U.S. exports and world-wide grain markets; and
- U.S. governmental policies, including farm and biofuel policies, which may directly or indirectly influence the number of acres planted, the level of grain inventories, the mix of crops planted or crop prices.

International market conditions, which are also outside of our control, may also significantly influence the nitrogen fertilizer business' operating results. The international market for nitrogen fertilizers is influenced by such factors as the relative value of the U.S. dollar and its impact upon the cost of importing nitrogen fertilizers, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in certain foreign markets, changes in the hard currency demands of certain countries and other regulatory policies of foreign governments, as well as the laws and policies of the United States affecting foreign trade and investment.

Ammonia can be very volatile and extremely hazardous. Any liability for accidents involving ammonia that cause severe damage to property or injury to the environment and human health could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, the costs of transporting ammonia could increase significantly in the future.

The nitrogen fertilizer business manufactures, processes, stores, handles, distributes and transports ammonia, which can be very volatile and extremely hazardous. Major accidents or releases involving ammonia could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits, fines, penalties and regulatory enforcement proceedings, all of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the ability of the nitrogen fertilizer business to produce or distribute its products could result in a significant decrease in operating revenues and significant additional cost to replace or repair and insure its assets, which could have a material adverse effect on our results of operations, financial condition and cash flows. The nitrogen fertilizer facility periodically experiences minor releases of ammonia related to leaks from its equipment. It experienced more significant ammonia releases in August 2007 due to the failure of a high-pressure pump and in August and September 2010 due to a heat exchanger leak and a UAN vessel rupture. Similar events may occur in the future.

In addition, the nitrogen fertilizer business may incur significant losses or costs relating to the operation of railcars used for the purpose of carrying various products, including ammonia. Due to the dangerous and potentially toxic nature of the cargo, in particular ammonia, onboard railcars, a railcar accident may result in fires, explosions and pollution. These circumstances may result in sudden, severe damage or injury to property, the environment and human health. In the event of pollution, the nitrogen fertilizer business may be held responsible even if it is not at fault and it complied with the laws and regulations in effect at the time of the accident. Litigation arising from accidents involving ammonia may result in the nitrogen fertilizer business or us being named as a defendant in lawsuits asserting claims for large amounts of damages, which could have a material adverse effect on our results of operations, financial condition and cash flows.

Given the risks inherent in transporting ammonia, the costs of transporting ammonia could increase significantly in the future. Ammonia is most typically transported by railcar. A number of initiatives are underway in the railroad and chemical industries that may result in changes to railcar design in order to minimize railway accidents involving hazardous materials. If any such design changes are implemented, or if accidents involving hazardous freight increase the insurance and other costs of railcars, freight costs of the nitrogen fertilizer business could significantly increase.

Environmental laws and regulations on fertilizer end-use and application and numeric nutrient water quality criteria could have a material adverse impact on fertilizer demand in the future.

Future environmental laws and regulations on the end-use and application of fertilizers could cause changes in demand for the nitrogen fertilizer business' products. In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit the ability of the nitrogen fertilizer business to market and sell its products to end users. From time to time, various state legislatures have proposed bans or other limitations on fertilizer products. In addition, a number of states have adopted or proposed numeric nutrient water quality criteria that could result in decreased demand for fertilizer products in those states. Similarly, a new final EPA rule establishing numeric nutrient criteria for certain Florida water bodies may require farmers to implement best management practices, including the reduction of fertilizer use, to reduce the impact of fertilizer on water quality. Any such laws, regulations or interpretations could have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business' plans to address its CO_2 production may not be successful.

The nitrogen fertilizer business has signed an agreement to sell all of the high purity CO_2 produced by the nitrogen fertilizer plant (currently approximately 850,000 tons per year) to an oil and gas exploration and production company for purposes of enhanced oil recovery. There can be no guarantee that this proposed CO_2 capture and storage system will be constructed successfully or at all or, if constructed, that it will provide an economic benefit and will not result in economic losses or additional costs that may have a material adverse effect on our results of operations, financial condition and cash flows.

If licensed technology were no longer available, the nitrogen fertilizer business may be adversely affected.

The nitrogen fertilizer business has licensed, and may in the future license, a combination of patent, trade secret and other intellectual property rights of third parties for use in its business. In particular, the gasification process it uses to convert pet coke to high purity hydrogen for subsequent conversion to ammonia is licensed from General Electric. The license, which is fully paid, grants the nitrogen fertilizer business perpetual rights to use the pet coke gasification process on specified terms and conditions and is integral to the operations of the nitrogen fertilizer facility. If this, or any other license agreements on which the nitrogen fertilizer business' operations rely were to be terminated, licenses to alternative technology may not be available, or may only be available on terms that are not commercially reasonable or acceptable. In addition, any substitution of new technology for currently-licensed technology may require substantial changes to manufacturing processes or equipment and may have a material adverse effect on our results of operations, financial condition and cash flows.

The nitrogen fertilizer business may face third party claims of intellectual property infringement, which if successful could result in significant costs.

Although there are currently no pending claims relating to the infringement of any third party intellectual property rights, in the future the nitrogen fertilizer business may face claims of infringement that could interfere with its ability to use technology that is material to its business operations. Any litigation of this type, whether successful or unsuccessful, could result in substantial costs and diversions of resources, which could have a material adverse effect on our results of operations, financial condition and cash flows. In the event a claim of infringement against the nitrogen fertilizer business is successful, it may be required to pay royalties or license fees for past or continued use of the infringing technology, or it may be prohibited from using the infringing technology altogether. If it is prohibited from using any technology as a result of such a claim, it may not be able to obtain licenses to alternative technology adequate to substitute for the technology it can no longer use, or licenses for such alternative technology may only be available on terms that are not commercially reasonable or acceptable. In addition, any substitution of new technology for currently licensed technology may require the nitrogen fertilizer business to make substantial changes to its manufacturing processes or equipment or to its products, and could have a material adverse effect on our results of operations, financial condition and cash flows.

There can be no assurance that the transportation costs of the nitrogen fertilizer business' competitors will not decline.

Our nitrogen fertilizer plant is located within the U.S. farm belt, where the majority of the end users of our nitrogen fertilizer products grow their crops. Many of our competitors produce fertilizer outside of this region and incur greater costs in transporting their products over longer distances via rail, ships and pipelines. There can be no assurance that our competitors' transportation costs will not decline or that additional pipelines will not be built, lowering the price at which our competitors can sell their products, which would have a material adverse effect on our results of operations and financial condition.

Risks Related to Our Entire Business

Instability and volatility in the capital, credit and commodity markets in the global economy could negatively impact our business, financial condition, results of operations and cash flows.

The global capital and credit markets experienced extreme volatility and disruption over the past two years. Our business, financial condition and results of operations could be negatively impacted by difficult conditions and extreme volatility in the capital, credit and commodities markets and in the global economy. These factors, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, precipitated an economic recession in the U.S. and globally during 2009 and 2010. The difficult conditions in these markets and the overall economy affect us in a number of ways. For example:

- Although we believe we have sufficient liquidity under our ABL credit facility, and that the nitrogen fertilizer business has sufficient liquidity under its revolving credit facility, to run the refinery and nitrogen fertilizer businesses, under extreme market conditions there can be no assurance that such funds would be available or sufficient, and in such a case, we may not be able to successfully obtain additional financing on favorable terms, or at all.

- Market volatility could exert downward pressure on our stock price, which may make it more difficult for us to raise additional capital and thereby limit our ability to grow.
- Our ABL credit facility and the nitrogen fertilizer business' revolving credit facility contain various covenants that must be complied with, and if we or the Partnership are not in compliance, there can be no assurance that we or the Partnership would be able to successfully amend the agreement in the future. Further, any such amendment could be very expensive.
- Market conditions could result in our significant customers experiencing financial difficulties. We are exposed to the credit risk of our customers, and their failure to meet their financial obligations when due because of bankruptcy, lack of liquidity, operational failure or other reasons could result in decreased sales and earnings for us.

Our refinery and nitrogen fertilizer facilities face operating hazards and interruptions, including unscheduled maintenance or downtime. We could face potentially significant costs to the extent these hazards or interruptions cause a material decline in production and are not fully covered by our existing insurance coverage. Insurance companies that currently insure companies in the energy industry may cease to do so, may change the coverage provided or may substantially increase premiums in the future.

Our operations, located primarily in a single location, are subject to significant operating hazards and interruptions. If any of our facilities, including our refinery and the nitrogen fertilizer plant, experiences a major accident or fire, is damaged by severe weather, flooding or other natural disaster, or is otherwise forced to significantly curtail its operations or shut down, we could incur significant losses which could have a material adverse effect on our results of operations, financial condition and cash flows. Conducting all of our refining operations and fertilizer manufacturing at a single location compounds such risks.

Operations at our refinery and the nitrogen fertilizer plant could be curtailed or partially or completely shut down, temporarily or permanently, as the result of a number of circumstances, most of which are not within our control, such as:

- unscheduled maintenance or catastrophic events such as a major accident or fire, damage by severe weather, flooding or other natural disaster;
- labor difficulties that result in a work stoppage or slowdown;
- environmental proceedings or other litigation that compel the cessation of all or a portion of the operations; and
- increasingly stringent environmental regulations.

The magnitude of the effect on us of any shutdown will depend on the length of the shutdown and the extent of the plant operations affected by the shutdown. Our refinery requires a scheduled maintenance turnaround every four to five years for each unit, and the nitrogen fertilizer plant requires a scheduled maintenance turnaround every two years. A major accident, fire, flood, or other event could damage our facilities or the environment and the surrounding community or result in injuries or loss of life. For example, the flood that occurred during the weekend of June 30, 2007 shut down our refinery for seven weeks, shut down the nitrogen fertilizer facility for approximately two weeks and required significant expenditures to repair damaged equipment. In addition, the nitrogen fertilizer business' UAN plant was out of service for approximately six weeks after the rupture of a high pressure vessel in September 2010, which required significant expenditures to repair. Our refinery experienced an equipment malfunction and small fire in connection with its fluid catalytic cracking unit on December 28, 2010, which led to reduced crude throughput and required significant expenditures to repair. The refinery returned to full operations on January 26, 2011. Scheduled and unscheduled maintenance could reduce our net income and cash flows during the period of time that any of our units is not operating. Any unscheduled future downtime could have a material adverse effect on our results of operations, financial condition and cash flows.

If we experience significant property damage, business interruption, environmental claims or other liabilities, our business could be materially adversely affected to the extent the damages or claims exceed the amount of valid and collectible insurance available to us. Our property and business interruption insurance policies have a $1.0 billion limit, with a $2.5 million deductible for physical damage and a 45-day waiting period before losses resulting from business interruptions are recoverable. The policies also contain exclusions and conditions that could have a materially adverse impact on our ability to receive indemnification thereunder, as well as customary sub-limits for particular types of losses. For example, the current property policy contains a specific sub-limit of $150.0 million for damage caused by flooding. We are fully exposed to all losses in excess of the applicable limits and sub-limits and for losses due to business interruptions of fewer than 45 days.

The energy and nitrogen fertilizer industries are highly capital intensive, and the entire or partial loss of individual facilities can result in significant costs to both industry participants, such as us, and their insurance carriers. In recent years, several large energy industry claims have resulted in significant increases in the level of premium costs and deductible periods for participants in the energy industry. For example, during 2005, Hurricanes Katrina and Rita caused significant damage to several petroleum refineries along the U.S. Gulf Coast, in addition to numerous oil and gas production facilities and pipelines in that region. As a result of large energy industry insurance claims, insurance companies that have historically participated in underwriting energy related facilities could discontinue that practice or demand significantly higher premiums or deductibles to cover these facilities. Although we currently maintain significant amounts of insurance, insurance policies are subject to annual renewal. If significant changes in the number or financial solvency of insurance underwriters for the energy industry occur, we may be unable to obtain and maintain adequate insurance at a reasonable cost or we might need to significantly increase our retained exposures.

Environmental laws and regulations could require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

Our operations are subject to a variety of federal, state and local environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous waste and materials. Violations of these laws and regulations or permit conditions can result in substantial penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations and/or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent, and the cost of compliance with these requirements can be expected to increase over time. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. These expenditures or costs for environmental compliance could have a material adverse effect on our results of operations, financial condition and profitability.

Our facilities operate under a number of federal and state permits, licenses and approvals with terms and conditions containing a significant number of prescriptive limits and performance standards in order to operate. Our facilities are also required to comply with prescriptive limits and meet performance standards specific to refining and/or chemical facilities as well as to general manufacturing facilities. All of these permits, licenses, approvals and standards require a significant amount of monitoring, record keeping and reporting in order to demonstrate compliance with the underlying permit, license, approval or standard. Incomplete documentation of compliance status may result in the imposition of fines, penalties and injunctive relief. Additionally, due to the nature of our manufacturing and refining processes, there may be times when we are unable to meet the standards and terms and conditions of these permits and licenses due to operational upsets or malfunctions, which may lead to the imposition of fines and penalties or operating restrictions that may have a material adverse effect on our ability to operate our facilities and accordingly our financial performance.

Our businesses are subject to accidental spills, discharges or other releases of petroleum or hazardous substances into the environment. Past or future spills related to any of our current or former operations, including our refinery, pipelines, product terminals, fertilizer plant or transportation of products or hazardous substances from those facilities, may give rise to liability (including strict liability, or liability without fault, and potential cleanup responsibility) to governmental entities or private parties under federal, state or local environmental laws, as well as under common law. For example, we could be held strictly liable under the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, and similar state statutes for past or future spills without regard to fault or whether our actions were in compliance with the law at the time of the spills. Pursuant to CERCLA and similar state statutes, we could be held liable for contamination associated with facilities we currently own or operate, facilities we formerly owned or operated (if any) and facilities to which we transported or arranged for the transportation of wastes or byproducts containing hazardous substances for treatment, storage, or disposal.

The potential penalties and cleanup costs for past or future releases or spills, liability to third parties for damage to their property or exposure to hazardous substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our results of operations, financial condition and cash flows. In addition, we may incur liability for alleged personal injury or property damage due to exposure to chemicals or other hazardous substances located at or released from our facilities. We may also face liability for personal injury, property damage, natural resource damage or for cleanup costs for the alleged migration of contamination or other hazardous substances from our facilities to adjacent and other nearby properties.

In March 2004, CRRM and CRT entered into a Consent Decree to address certain allegations of Clean Air Act violations by Farmland (the prior owner) at our Coffeyville refinery and Phillipsburg terminal facility in order to address the alleged violations and eliminate liabilities going forward. The remaining costs of complying with the Consent Decree are expected to be approximately $49 million, which does not include the cleanup obligations for historic contamination at the site that are being addressed pursuant to administrative orders issued under RCRA and described in Item 1 Business — “Environmental Matters — RCRA — Impacts of Past Manufacturing” in our Annual Report on Form 10-K for the year ended December 31, 2010. To date, CRRM and CRT have materially complied with the Consent Decree and have not had to pay any stipulated penalties, which are required to be paid for failure to comply with various terms and conditions of the Consent Decree. As described in “Environmental, Health and Safety (“EHS”) Matters” and “The Federal Clean Air Act,” CRRM and the EPA agreed to extend the refinery’s deadline under the Consent Decree to install certain air pollution controls on its FCCU due to delays caused by the June/July 2007 flood. Pursuant to this agreement, CRRM would offset any incremental emissions resulting from the delay by providing additional controls to existing emission sources over a set timeframe. A number of factors could affect our ability to meet the requirements imposed by the Consent Decree and have a material adverse effect on our results of operations, financial condition and profitability.

Two of our facilities, including our Coffeyville crude oil refinery and the Phillipsburg terminal (which operated as a refinery until 1991), have environmental contamination. We have assumed Farmland’s responsibilities under certain RCRA administrative orders related to contamination at or that originated from the refinery (which includes portions of the nitrogen fertilizer plant) and the Phillipsburg terminal. If significant unknown liabilities that have been undetected to date by our soil and groundwater investigation and sampling programs arise in the areas where we have assumed liability for the corrective action, that liability could have a material adverse effect on our results of operations and financial condition and may not be covered by insurance.

We may incur future costs relating to the off-site disposal of hazardous wastes. Companies that dispose of, or arrange for the transportation or disposal of, hazardous substances at off-site locations may be held jointly and severally liable for the costs of investigation and remediation of contamination at those off-site locations, regardless of fault. We could become involved in litigation or other proceedings involving off-site waste disposal and the damages or costs in any such proceedings could be material.

We may be unable to obtain or renew permits necessary for our operations, which could inhibit our ability to do business.

We hold numerous environmental and other governmental permits and approvals authorizing operations at our facilities. Future expansion of our operations is also predicated upon securing the necessary environmental or other permits or approvals. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations and on our financial condition, results of operations and cash flows.

Climate change laws and regulations could have a material adverse effect on our results of operations, financial condition, and cash flows.

Currently, various legislative and regulatory measures to address greenhouse gas emissions (including CO_2, methane and nitrous oxides) are in various phases of discussion or implementation. At the federal legislative level, Congress could adopt some form of federal mandatory greenhouse gas emission reduction laws, although the specific requirements and timing of any such laws are uncertain at this time. In June 2009, the U.S. House of Representatives passed a bill that would have created a nationwide cap-and-trade program designed to regulate emissions of CO_2, methane and other greenhouse gases. A similar bill was introduced in the U.S. Senate, but was not voted upon. Congressional passage of such legislation does not appear likely at this time, though it could be adopted at a future date. It is also possible that Congress may pass alternative climate change bills that do not mandate a nationwide cap-and-trade program and instead focus on promoting renewable energy and energy efficiency.

In the absence of congressional legislation on greenhouse gas emissions, the EPA is moving ahead administratively under its Clean Air Act authority. On December 7, 2009, the EPA finalized its "endangerment finding" that greenhouse gas emissions, including CO_2, pose a threat to human health and welfare. In October 2009, the EPA finalized a rule requiring certain large emitters of greenhouse gases to inventory and report their greenhouse gas emissions to the EPA. In accordance with the rule, we have begun monitoring our greenhouse gas emissions and will report the emissions to the EPA beginning this year. In May 2010, the EPA finalized the "Greenhouse Gas Tailoring Rule," which established new greenhouse gas emissions thresholds that determine when stationary sources, such as our refinery and the nitrogen fertilizer plant, must obtain permits under Prevention of Significant Deterioration, or PSD, and Title V programs of the federal Clean Air Act. The significance of the permitting requirement is that, in cases where a new source is constructed or an existing source undergoes a major modification, the facility would need to evaluate and install best available control technology, or BACT, to control greenhouse gas emissions. Phase-in permit requirements will begin for the largest stationary sources in 2011. We do not currently anticipate that the nitrogen fertilizer business' previously announced UAN expansion project or any other currently anticipated projects will result in a significant increase in greenhouse gas emissions triggering the need to install BACT. However, beginning in July 2011, a major modification resulting in a significant expansion of production at our facilities resulting in a significant increase in greenhouse gas emissions may require the installation of BACT controls. The EPA's endangerment finding, Greenhouse Gas Tailoring Rule and certain other greenhouse gas emission rules have been challenged and will likely be subject to extensive litigation. In addition, a number of Congressional bills to overturn or bar the EPA from regulating greenhouse gas emissions, or at least to defer such action by the EPA under the federal Clean Air Act, have been proposed, although President Obama has announced his intention to veto any such bills, if passed. In the meantime, in December 2010, the EPA reached settlement agreements with numerous parties under which it agreed to promulgate final decisions on New Source Performance Standards (NSPS) for petroleum refineries by November 2012.

In addition to federal regulations, a number of states have adopted regional greenhouse gas initiatives to reduce CO_2 and other greenhouse gas emissions. In 2007, a group of Midwest states, including Kansas (where our refinery and the nitrogen fertilizer facility are located), formed the Midwestern Greenhouse Gas Reduction Accord, which calls for the development of a cap-and-trade system to control greenhouse gas emissions and for the inventory of such emissions. However, the individual states that have signed on to the accord must adopt laws or regulations implementing the trading scheme before it becomes effective, and the timing and specific requirements of any such laws or regulations in Kansas are uncertain at this time.

The implementation of EPA greenhouse gas regulations will result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls on our facilities and (iii) administer and manage any greenhouse gas emissions program. Increased costs associated with compliance with any future legislation or regulation of greenhouse gas emissions, if it occurs, may have a material adverse effect on our results of operations, financial condition and cash flows.

In addition, climate change legislation and regulations may result in increased costs not only for our business but also users of our refined and fertilizer products, thereby potentially decreasing demand for our products. Decreased demand for our products may have a material adverse effect on our results of operations, financial condition and cash flows.

We are subject to strict laws and regulations regarding employee and process safety, and failure to comply with these laws and regulations could have a material adverse effect on our results of operations, financial condition and profitability.

We are subject to the requirements of the Federal Occupational Safety and Health Act, or OSHA, and comparable state statutes that regulate the protection of the health and safety of workers. In addition, OSHA requires that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees, state and local governmental authorities, and local residents. Failure to comply with OSHA requirements, including general industry standards, record keeping requirements and monitoring and control of occupational exposure to regulated substances, could have a material adverse effect on our results of operations, financial condition and the cash flows if we are subjected to significant fines or compliance costs.

Both the petroleum and nitrogen fertilizer businesses depend on significant customers and the loss of one or several significant customers may have a material adverse impact on our results of operations and financial condition.

The petroleum and nitrogen fertilizer businesses both have a high concentration of customers. Our five largest customers in the petroleum business represented 47.6% of our petroleum sales for the year ended December 31, 2010. Further in the aggregate, the top five ammonia customers of the nitrogen fertilizer business represented 44.2% of its ammonia sales for the year ended December 31, 2010 and the top five UAN customers of the nitrogen fertilizer business represented 43.3% of its UAN sales for the same period. Several significant petroleum, ammonia and UAN customers each account for more than 10% of sales of petroleum, ammonia and UAN, respectively. Given the nature of our business, and consistent with industry practice, we do not have long-term minimum purchase contracts with any of our customers. The loss of one or several of these significant customers, or a significant reduction in purchase volume by any of them, could have a material adverse effect on our results of operations, financial condition and cash flows.

The acquisition and expansion strategy of our petroleum business and the nitrogen fertilizer business involves significant risks.

Both our petroleum business and the nitrogen fertilizer business will consider pursuing acquisitions and expansion projects in order to continue to grow and increase profitability. However, acquisitions and expansions involve numerous risks and uncertainties, including intense competition for suitable acquisition targets, the potential unavailability of financial resources necessary to consummate acquisitions and expansions, difficulties in identifying suitable acquisition targets and expansion projects or in completing any transactions identified on sufficiently favorable terms and the need to obtain regulatory or other governmental approvals that may be necessary to complete acquisitions and expansions. In addition, any future acquisitions and expansions may entail significant transaction costs and risks associated with entry into new markets and lines of business.

The nitrogen fertilizer business has announced that it intends to move forward with an expansion of its nitrogen fertilizer plant using a portion of the proceeds from the Partnership's April 2011 initial public offering, which will allow it the flexibility to upgrade all of its ammonia production to UAN. This expansion is premised in large part on the historically higher margin that it has received for UAN compared to ammonia. If the premium that UAN currently earns over ammonia decreases, this expansion project may not yield the economic benefits and accretive effects that are currently anticipated.

In addition to the risks involved in identifying and completing acquisitions described above, even when acquisitions are completed, integration of acquired entities can involve significant difficulties, such as:

- unforeseen difficulties in the acquired operations and disruption of the ongoing operations of our petroleum business and the nitrogen fertilizer business;
- failure to achieve cost savings or other financial or operating objectives with respect to an acquisition;
- strain on the operational and managerial controls and procedures of our petroleum business and the nitrogen fertilizer business, and the need to modify systems or to add management resources;
- difficulties in the integration and retention of customers or personnel and the integration and effective deployment of operations or technologies;
- assumption of unknown material liabilities or regulatory non-compliance issues;
- amortization of acquired assets, which would reduce future reported earnings;
- possible adverse short-term effects on our cash flows or operating results; and
- diversion of management's attention from the ongoing operations of our business.

In addition, in connection with any potential acquisition or expansion project involving the nitrogen fertilizer business, the nitrogen fertilizer business will need to consider whether the business it intends to acquire or expansion project it intends to pursue (including the CO_2 sequestration or sale project) could affect the nitrogen fertilizer business' tax treatment as a partnership for federal income tax purposes. If the nitrogen fertilizer business is otherwise unable to conclude that the activities of the business being acquired or the expansion project would not affect the Partnership's treatment as a partnership for federal income tax purposes, the nitrogen fertilizer business may elect to seek a ruling from the Internal Revenue Service ("IRS"). Seeking such a ruling could be costly or, in the case of competitive acquisitions, place the nitrogen fertilizer business in a competitive disadvantage compared to other potential acquirers who do not seek such a ruling. If the nitrogen fertilizer business is unable to conclude that an activity would not affect its treatment as a partnership for federal income tax purposes, the nitrogen fertilizer business may choose to acquire such business or develop such expansion project in a corporate subsidiary, which would subject the income related to such activity to entity-level taxation.

Failure to manage these acquisition and expansion growth risks could have a material adverse effect on our results of operations, financial condition and cash flows. There can be no assurance that we will be able to consummate any acquisitions or expansions, successfully integrate acquired entities, or generate positive cash flow at any acquired company or expansion project.

We are a holding company and depend upon our subsidiaries for our cash flow.

We are a holding company. Our subsidiaries conduct all of our operations and own substantially all of our assets. Consequently, our cash flow and our ability to meet our obligations or to pay dividends or make other distributions in the future will depend upon the cash flow of our subsidiaries and the payment of funds by our subsidiaries to us in the form of dividends, tax sharing payments or otherwise. In addition, CRLLC, our indirect subsidiary, which is the primary obligor under our ABL credit facility, is a holding company and its ability to meet its debt service obligations depends on the cash flow of its subsidiaries (including the Partnership). Furthermore, in future periods, as a result of the April 2011 initial public offering of the Partnership, public unitholders will be entitled to approximately 30% of the available cash generated by the nitrogen fertilizer business. The ability of our subsidiaries to make any payments to us will depend on their earnings, the terms of their indebtedness, including the terms of our ABL credit facility, the Partnership's revolving credit facility, tax considerations and legal restrictions. In particular, our ABL credit facility and the Partnership's revolving credit facility currently impose significant limitations on the ability of our subsidiaries to make distributions to us and consequently our ability to pay dividends to our stockholders.

Our significant indebtedness may affect our ability to operate our business, and may have a material adverse effect on our financial condition and results of operations.

As of May 6, 2011, CRLLC had senior secured notes outstanding with an aggregate principal balance of $472.5 million, $31.6 million in letters of credit outstanding and borrowing availability of $218.4 million available under the ABL credit facility, and CRNF, our subsidiary that operates the nitrogen fertilizer business, had $125.0 million in term loan borrowings outstanding and borrowing availability of $25.0 million under its revolving credit facility. We and our subsidiaries may be able to incur significant additional indebtedness in the future. If new indebtedness is added to our current indebtedness, the risks described below could increase. Our high level of indebtedness could have important consequences, such as:

- limiting our ability to obtain additional financing to fund our working capital needs, capital expenditures, debt service requirements or for other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service debt;
- limiting our ability to compete with other companies who are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions;
- placing restrictive financial and operating covenants in the agreements governing our and our subsidiaries' long-term indebtedness and bank loans, including, in the case of certain indebtedness of subsidiaries, certain covenants that restrict the ability of subsidiaries to pay dividends or make other distributions to us;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our subsidiaries' debt instruments that could have a material adverse effect on our business, financial condition and operating results;
- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products; and
- limiting our ability to react to changing market conditions in our industry and in our customers' industries.

In addition, borrowings under our ABL credit facility and the Partnership's revolving credit facility bear interest at variable rates. If market interest rates increase, such variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow.

Changes in our credit ratings may affect the way crude oil and feedstock suppliers view our ability to make payments and may induce them to shorten the payment terms of their invoices. Given the large dollar amounts and volume of our feedstock purchases, a change in payment terms may have a material adverse effect on our liability and our ability to make payments to our suppliers.

In addition to our debt service obligations, our operations require substantial investments on a continuing basis. Our ability to make scheduled debt payments, to refinance our obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our operating assets, properties and systems software, as well as to provide capacity for the growth of our business, depends on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors. In addition, we are and will be subject to covenants contained in agreements governing our present and future indebtedness. These covenants include, and will likely include, restrictions on certain payments, the granting of liens, the incurrence of additional indebtedness, dividend restrictions affecting subsidiaries, asset sales, transactions with affiliates and mergers and consolidations. Any failure to comply with these covenants could result in a default under our ABL credit facility and the Partnership's revolving credit facility. Upon a default, unless waived, the lenders under our ABL credit facility and the Partnership's revolving credit facility would have all remedies available to a secured lender, and could elect to terminate their commitments, cease making further loans, institute foreclosure proceedings against our or our subsidiaries' assets, and force us and our subsidiaries into bankruptcy or liquidation. In addition, any defaults could trigger cross defaults under other or future credit agreements. Our operating results may not be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

A substantial portion of our workforce is unionized and we are subject to the risk of labor disputes and adverse employee relations, which may disrupt our business and increase our costs.

As of December 31, 2010, approximately 39% of our employees, all of whom work in our petroleum business, were represented by labor unions under collective bargaining agreements. Our collective bargaining agreement with the United Steelworkers will expire in March 2012 and our collective bargaining agreement with the Metal Trades Unions will expire in March 2013. We may not be able to renegotiate our collective bargaining agreements when they expire on satisfactory terms or at all. A failure to do so may increase our costs. In addition, our existing labor agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any work stoppage could negatively affect our results of operations and financial condition.

Our business may suffer if any of our key senior executives or other key employees discontinues employment with us. Furthermore, a shortage of skilled labor or disruptions in our labor force may make it difficult for us to maintain labor productivity.

Our future success depends to a large extent on the services of our key senior executives and key senior employees. Our business depends on our continuing ability to recruit, train and retain highly qualified employees in all areas of our operations, including accounting, business operations, finance and other key back-office and mid-office personnel. Furthermore, our operations require skilled and experienced employees with proficiency in multiple tasks. In particular, the nitrogen fertilizer facility relies on gasification technology that requires special expertise to operate efficiently and effectively. The competition for these employees is intense, and the loss of these executives or employees could harm our business. If any of these executives or other key personnel resign or become unable to continue in their present roles and are not adequately replaced, our business operations could be materially adversely affected. We do not maintain any "key man" life insurance for any executives.

New regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities could result in higher operating costs.

The costs of complying with regulations relating to the transportation of hazardous chemicals and security associated with the refining and nitrogen fertilizer facilities may have a material adverse effect on our results of operations, financial condition and cash flows. Targets such as refining and chemical manufacturing facilities may be at greater risk of future terrorist attacks than other targets in the United States. As a result, the petroleum and chemical industries have responded to the issues that arose due to the terrorist attacks on September 11, 2001 by starting new initiatives relating to the security of petroleum and chemical industry facilities and the transportation of hazardous chemicals in the United States. Future terrorist attacks could lead to even stronger, more costly initiatives. Simultaneously, local, state and federal governments have begun a regulatory process that could lead to new regulations impacting the security of refinery and chemical plant locations and the transportation of petroleum and hazardous chemicals. Our business could be materially adversely affected by the cost of complying with new regulations.

Compliance with and changes in the tax laws could adversely affect our performance.

We are subject to extensive tax liabilities, including United States and state income taxes and transactional taxes such as excise, sales/use, payroll, and franchise and withholding. New tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future.

Risks Related to Our Common Stock

Shares eligible for future sale may cause the price of our common stock to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales may occur, could cause the market price of our common stock to decline. This could also impair our ability to raise additional capital through the sale of our equity securities. Under our amended and restated certificate of incorporation, we are authorized to issue up to 350,000,000 shares of common stock, of which 86,413,781 shares of common stock were outstanding as of May 1, 2011. Of these shares, CALLC currently owns 7,988,179 shares and has registration rights with respect to the remainder of their shares that would allow them to be sold in a secondary public offering.

Risks Related to the Limited Partnership Structure Through Which We Currently Hold Our Interest in the Nitrogen Fertilizer Business

The board of directors of the Partnership's general partner has adopted a policy to distribute all of the available cash the nitrogen fertilizer business generates each quarter, which could limit its ability to grow and make acquisitions.

The board of directors of the Partnership's general partner has adopted a policy to distribute all of the available cash the Partnership generates each quarter to its unitholders, beginning with the quarter ending June 30, 2011. As a result, the Partnership's general partner will rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund acquisitions and expansion capital expenditures at the nitrogen fertilizer business. To the extent it is unable to finance growth externally, the Partnership's cash distribution policy will significantly impair its ability to grow. As of the closing of the Partnership's initial public offering in April 2011, we owned approximately 70% of the Partnership's outstanding common units, and public unitholders owned the remaining 30% of the Partnership's common units.

In addition, because the board of directors of the Partnership's general partner will adopt a policy to distribute all of the available cash it generates each quarter, growth may not be as fast as that of businesses that reinvest their available cash to expand ongoing operations. To the extent the Partnership issues additional units in connection with any acquisitions or expansion capital expenditures, the payment of distributions on those additional units will decrease the amount the Partnership distributes on each outstanding unit. There are no limitations in the partnership agreement on the Partnership's ability to issue additional units, including units ranking senior to the common units that we own. The incurrence of additional commercial borrowings or other debt to finance the Partnership's growth strategy would result in increased interest expense, which, in turn, would reduce the available cash that the Partnership has to distribute to unitholders, including us.

The Partnership may not have sufficient available cash to pay any quarterly distribution on its common units.

The Partnership may not have sufficient available cash each quarter to pay any distributions to its common unitholders, including us. Furthermore, the partnership agreement does not require it to pay distributions on a quarterly basis or otherwise. The amount of cash the Partnership will be able to distribute on its common units principally depends on the amount of cash it generates from operations, which is directly dependent upon operating margins, which have been volatile historically. Operating margins at the nitrogen fertilizer business are significantly affected by the market-driven UAN and ammonia prices it is able to charge customers and pet coke-based gasification production costs, as well as seasonality, weather conditions, governmental regulation, unscheduled maintenance or downtime at the nitrogen fertilizer plant and global and domestic demand for nitrogen fertilizer products, among other factors. In addition:

- The Partnership's revolving credit facility, and any credit facility or other debt instruments it may enter into in the future, may limit the distributions that the Partnership can make. The revolving credit facility provides that the Partnership can make distributions to holders of common units only if it is in compliance with leverage ratio and interest coverage ratio covenants on a pro forma basis after giving effect to any distribution, and there is no default or event of default under the facility. In addition, any future credit facility may contain other financial tests and covenants that must be satisfied. Any failure to comply with these tests and covenants could result in the lenders prohibiting Partnership distributions.

- The amount of available cash for distribution to unitholders depends primarily on cash flow, and not solely on the profitability of the nitrogen fertilizer business, which is affected by non-cash items. As a result, the Partnership may make distributions during periods when it records losses and may not make distributions during periods when it records net income.
- The actual amount of available cash will depend on numerous factors, some of which are beyond the Partnership's control, including UAN and ammonia prices, operating costs, global and domestic demand for nitrogen fertilizer products, fluctuations in working capital needs, and the amount of fees and expenses incurred by us.

Increases in interest rates could adversely impact our unit price and the Partnership's ability to issue additional equity to make acquisitions, incur debt or for other purposes.

We expect that the price of the Partnership's common units will be impacted by the level of the Partnership's quarterly cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank related yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates may affect the yield requirements of investors who invest in the Partnership's common units, and a rising interest rate environment could have a material adverse impact on the Partnership's unit price (and therefore the value of our investment in the Partnership) as well as the Partnership's ability to issue additional equity to make acquisitions or to incur debt.

We may have liability to repay distributions that are wrongfully distributed to us.

Under certain circumstances, we may, as a holder of common units in the Partnership, have to repay amounts wrongfully returned or distributed to us. Under the Delaware Revised Uniform Limited Partnership Act, the Partnership may not make a distribution to unitholders if the distribution would cause its liabilities to exceed the fair value of its assets. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the company for the distribution amount.

Public investors own approximately 30% of the nitrogen fertilizer business as a result of the Partnership's April 2011 initial public offering. Although we own the majority of the Partnership's common units and the nitrogen fertilizer business' general partner, the general partner owes a duty of good faith to public unitholders, which could cause it to manage the nitrogen fertilizer business differently than if there were no public unitholders.

As a result of the initial public offering of the Partnership's common units which closed in April 2011, public investors own approximately 30% of the nitrogen fertilizer business' common units. As a result of this offering, we are no longer entitled to receive all of the cash generated by the nitrogen fertilizer business or freely borrow money from the nitrogen fertilizer business to finance operations at the refinery, as we have in the past. Furthermore, although we own the Partnership's general partner and continue to own the majority of the Partnership's common units, the Partnership's general partner is subject to certain fiduciary duties, which may require the general partner to manage the nitrogen fertilizer business in a way that may differ from our best interests.

The nitrogen fertilizer business will incur increased costs as a result of being a publicly traded partnership.

As a subsidiary of a publicly traded partnership, the nitrogen fertilizer business will incur significant legal, accounting and other expenses that it did not incur prior to any such offering. In addition, the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Act of 2010, as well as rules implemented by the SEC and the New York Stock Exchange, require, or will require, publicly traded entities to adopt various corporate governance practices that will further increase its costs. Before it is able to make distributions to us, it must first pay its expenses, including the costs of being a public company and other operating expenses. As a result, the amount of cash it has available for distribution to us will be affected by its expenses, including the costs associated with being a publicly traded partnership. It is estimated that the nitrogen fertilizer business will incur approximately $3.5 million of estimated incremental costs per year, some of which will be direct charges associated with being a publicly traded partnership, and some of which will be allocated to the nitrogen fertilizer business by us; however, it is possible that the actual incremental costs of being a publicly traded partnership will be higher than we currently estimate.

As a result of CVR Partners' initial public offering, which closed in April 2011, the nitrogen fertilizer business is now subject to the public reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These requirements will increase legal and financial compliance costs and will make compliance activities more time-consuming and costly. For example, as a result of becoming a publicly traded partnership, the board of directors of the general partner of the Partnership will be required to have at least three independent directors by April 7, 2012 (it currently has two). In addition, the Partnership will be required to adopt policies regarding internal controls and disclosure controls and procedures, including the preparation of reports on internal control over financial reporting.

As a stand-alone public company, the nitrogen fertilizer business will be exposed to risks relating to evaluations of controls required by Section 404 of the Sarbanes-Oxley Act.

The nitrogen fertilizer business is in the process of evaluating its internal controls systems to allow management to report on, and our independent auditors to audit, its internal control over financial reporting. It will be performing the system and process evaluation and testing (and any necessary remediation) required to comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and under current rules will be required to comply with Section 404 for the year ended December 31, 2012. Furthermore, upon completion of this process, the nitrogen fertilizer business may identify control deficiencies of varying degrees of severity under applicable SEC and Public Company Accounting Oversight Board, or PCAOB, rules and regulations that remain unremediated. Although the nitrogen fertilizer business produces financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), internal accounting controls may not currently meet all standards applicable to companies with publicly traded securities. As a publicly traded partnership, it will be required to report, among other things, control deficiencies that constitute a "material weakness" or changes in internal controls that, or that are reasonably likely to, materially affect internal control over financial reporting. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

If the nitrogen fertilizer business fails to implement the requirements of Section 404 in a timely manner, it might be subject to sanctions or investigation by regulatory authorities such as the SEC. If it does not implement improvements to its disclosure controls and procedures or to its internal controls in a timely manner, its independent registered public accounting firm may not be able to certify as to the effectiveness of its internal control over financial reporting pursuant to an audit of its internal control over financial reporting. This may subject the nitrogen fertilizer business to adverse regulatory consequences or a loss of confidence in the reliability of its financial statements. It could also suffer a loss of confidence in the reliability of its financial statements if its independent registered public accounting firm reports a material weakness in its internal controls, if it does not develop and maintain effective controls and procedures or if it is otherwise unable to deliver timely and reliable financial information. Any loss of confidence in the reliability of its financial statements or other negative reaction to its failure to develop timely or adequate disclosure controls and procedures or internal controls could result in a decline in the price of its common units, which would reduce the value of our investment in the nitrogen fertilizer business. In addition, if the nitrogen fertilizer business fails to remedy any material weakness, its financial statements may be inaccurate, it may face restricted access to the capital markets and the price of its common units may be adversely affected, which would reduce the value of our investment in the nitrogen fertilizer business.