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 June 30, 2014

OR

☐ **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: 001-35120

CVR Partners, LP
(Exact name of registrant as specified in its charter)

Delaware	**56-2677689**
(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)*

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

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 of 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 ☑ 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.

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if 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 73,113,537 common units outstanding at July 28, 2014.

CVR PARTNERS, LP AND SUBSIDIARIES

INDEX TO QUARTERLY REPORT ON FORM 10-Q
For The Quarter Ended June 30, 2014

GLOSSARY OF SELECTED TERMS

The following are definitions of certain terms used in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 (this "Report"):

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.
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. 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.
Coffeyville Resources or CRLLC	Coffeyville Resources, LLC, the subsidiary of CVR Energy which directly owns our general partner and 38,920,000 common units, or approximately 53% of our common units.
common units	Common units representing limited partner interests of CVR Partners, LP.
corn belt	The primary corn producing region of the United States, which includes Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska, Ohio and Wisconsin.
CVR Energy	CVR Energy, Inc., a publicly traded company listed on the New York Stock Exchange under the ticker symbol "CVI," which indirectly owns our general partner and the common units owned by CRLLC.
CVR Refining	CVR Refining, LP, a publicly traded limited partnership listed on the New York Stock Exchange under the ticker symbol "CVRR," which currently owns and operates a complex full coking medium-sour crude oil refinery with a rated capacity of 115,000 barrels per calendar day (bpcd) in Coffeyville, Kansas, a medium complexity crude oil refinery with a rated capacity of 70,000 bpcd in Wynnewood, Oklahoma and ancillary businesses.
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 coke and 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, which are produced by a refinery.
general partner	CVR GP, LLC, our general partner, which is a wholly-owned subsidiary of CRLLC.
Initial Public Offering	The initial public offering of CVR Partners, LP common units that closed on April 13, 2011.
MMbtu	One million British thermal units: a measure of energy. One Btu of heat is required to raise the temperature of one pound of water one degree Fahrenheit.
MSCF	One thousand standard cubic feet, a customary gas measurement.
on-stream	Measurement of the reliability of the gasification, ammonia and UAN units, defined as the total number of hours operated by each unit divided by the total number of hours in the reporting period.
pet coke	Petroleum coke - a coal-like substance that is produced during the oil refining process.
prepaid sales	Represents customer payments under contracts to guarantee a price and supply of fertilizer in quantities expected to be delivered in the next twelve months. Revenue is not recorded for such sales until the product is considered delivered. Prepaid sales are also referred to as deferred revenue.
product pricing at gate	Product pricing at gate per ton represents net sales less freight revenue divided by product sales volume in tons.

Secondary Offering	The registered public offering of 12,000,000 common units of CVR Partners, LP, by CRLLC, which closed on May 28, 2013.
throughput	The volume processed through a unit.
ton	One ton is equal to 2,000 pounds.
turnaround	A periodically required standard procedure to refurbish and maintain a facility that involves the shutdown and inspection of major processing units.
UAN	UAN is an aqueous solution of urea and ammonium nitrate used as a fertilizer.

PART I. FINANCIAL INFORMATION

Item 1. *Financial Statements*

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2014	December 31, 2013
	(unaudited)	
	(in thousands, except unit data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 78,470	$ 85,142
Accounts receivable, net of allowance for doubtful accounts of $30 and $50, at June 30, 2014 and December 31, 2013, respectively	7,922	7,549
Inventories	30,913	33,064
Prepaid expenses and other current assets, including $436 and $3,104 from affiliates at June 30, 2014 and December 31, 2013, respectively	6,147	10,025
Total current assets	123,452	135,780
Property, plant, and equipment, net of accumulated depreciation	407,173	412,956
Goodwill	40,969	40,969
Deferred financing costs, net	758	1,236
Other long-term assets, including $1,046 and $1,136 with affiliates at June 30, 2014 and December 31, 2013, respectively	2,836	2,513
Total assets	$ 575,188	$ 593,454
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable, including $2,557 and $4,289 due to affiliates at June 30, 2014 and December 31, 2013, respectively	$ 16,247	$ 17,137
Personnel accruals, including $1,036 and $2,025 with affiliates at June 30, 2014 and December 31, 2013, respectively	2,948	4,494
Deferred revenue	399	696
Accrued expenses and other current liabilities, including $2,713 and $323 with affiliates at June 30, 2014 and December 31, 2013, respectively	9,970	5,059
Total current liabilities	29,564	27,386
Long-term liabilities:		
Long-term debt, net of current portion	125,000	125,000
Other long-term liabilities, $67 with affiliates at December 31, 2013	693	1,147
Total long-term liabilities	125,693	126,147
Commitments and contingencies		
Partners' capital:		
Common unitholders, 73,113,537 and 73,112,951 units issued and outstanding at June 30, 2014 and December 31, 2013, respectively	421,481	441,819
General partner interest	1	1
Accumulated other comprehensive loss	(1,551)	(1,899)
Total partners' capital	419,931	439,921
Total liabilities and partners' capital	$ 575,188	$ 593,454

See accompanying notes to the condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
	(unaudited)			
	(in thousands, except per unit data)			
Net sales	$ 77,215	$ 88,834	$ 157,531	$ 170,245
Operating costs and expenses:				
Cost of product sold — Affiliates	2,327	2,761	4,573	5,850
Cost of product sold (exclusive of depreciation and amortization) — Third parties	17,109	12,810	36,571	20,375
	19,436	15,571	41,144	26,225
Direct operating expenses (exclusive of depreciation and amortization) — Affiliates	817	1,205	1,570	2,208
Direct operating expenses (exclusive of depreciation and amortization) — Third parties	26,100	23,213	49,536	44,767
	26,917	24,418	51,106	46,975
Selling, general and administrative expenses (exclusive of depreciation and amortization) — Affiliates	3,973	4,153	7,509	8,372
Selling, general and administrative expenses (exclusive of depreciation and amortization) — Third parties	1,297	1,439	2,415	2,850
	5,270	5,592	9,924	11,222
Depreciation and amortization	6,792	6,193	13,459	11,960
Total operating costs and expenses	58,415	51,774	115,633	96,382
Operating income	18,800	37,060	41,898	73,863
Other income (expense):				
Interest expense and other financing costs	(1,669)	(1,675)	(3,328)	(2,955)
Interest income	6	24	12	54
Other income, net	—	46	15	55
Total other expense	(1,663)	(1,605)	(3,301)	(2,846)
Income before income tax expense	17,137	35,455	38,597	71,017
Income tax expense	7	18	14	27
Net income	$ 17,130	$ 35,437	$ 38,583	$ 70,990
Net income per common unit – basic	$ 0.23	$ 0.48	$ 0.53	$ 0.97
Net income per common unit – diluted	$ 0.23	$ 0.48	$ 0.53	$ 0.97
Weighted-average common units outstanding:				
Basic	73,113	73,068	73,113	73,067
Diluted	73,146	73,230	73,145	73,232

See accompanying notes to the condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(unaudited) (in thousands)			
Net income	$ 17,130	$ 35,437	$ 38,583	$ 70,990
Other comprehensive income (loss):				
Change in fair value of interest rate swap	(98)	201	(193)	155
Net loss reclassified into income on settlement of interest rate swap	273	263	541	521
Other comprehensive income (loss)	175	464	348	676
Total comprehensive income	$ 17,305	$ 35,901	$ 38,931	$ 71,666

See accompanying notes to the condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

	Common Units		General Partner Interest	Accumulated Other Comprehensive Income/(Loss)	Total
	Issued	Amount			
	(unaudited)				
	(in thousands, except unit data)				
Balance at December 31, 2013	73,112,951	$ 441,819	$ 1	$ (1,899)	$ 439,921
Cash distributions to common unitholders – Affiliates	—	(31,525)	—	—	(31,525)
Cash distributions to common unitholders – Non-affiliates	—	(27,696)	—	—	(27,696)
Share-based compensation – Affiliates	—	305	—	—	305
Issuance of units under LTIP – Affiliates	814	—	—	—	—
Redemption of common units	(228)	(5)	—	—	(5)
Net income	—	38,583	—	—	38,583
Net gains (losses) on interest rate swaps	—	—	—	348	348
Balance at June 30, 2014	73,113,537	$ 421,481	$ 1	$ (1,551)	$ 419,931

See accompanying notes to the condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2014	2013
	(unaudited)	
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 38,583	$ 70,990
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,459	11,960
Allowance for doubtful accounts	(20)	(10)
Amortization of deferred financing costs	478	478
(Gain) loss on disposition of fixed assets	406	(33)
Share-based compensation – Affiliates	1,560	2,007
Share-based compensation	209	158
Change in assets and liabilities:		
Accounts receivable	(353)	1,853
Inventories	2,151	(3,886)
Prepaid expenses and other current assets	3,880	(2,626)
Other long-term assets	(300)	(102)
Accounts payable	(2,971)	(373)
Deferred revenue	(297)	540
Accrued expenses and other current liabilities	3,237	(6,228)
Other long-term liabilities	(68)	(106)
Net cash provided by operating activities	59,954	74,622
Cash flows from investing activities:		
Capital expenditures	(7,491)	(31,852)
Proceeds from sale of assets	91	33
Net cash used in investing activities	(7,400)	(31,819)
Cash flows from financing activities:		
Cash distributions to common unitholders – Affiliates	(31,525)	(40,838)
Cash distributions to common unitholders – Non-affiliates	(27,696)	(17,760)
Redemption of common units	(5)	(171)
Net cash used in financing activities	(59,226)	(58,769)
Net increase (decrease) in cash and cash equivalents	(6,672)	(15,966)
Cash and cash equivalents, beginning of period	85,142	127,848
Cash and cash equivalents, end of period	$ 78,470	$ 111,882
Supplemental disclosures:		
Cash paid for income taxes	$ 33	$ 28
Cash paid for interest, net of capitalized interest of $79 and $467 in 2014 and 2013, respectively	$ 2,849	$ 2,508
Non-cash investing and financing activities:		
Construction in progress additions included in accounts payable	$ 2,571	$ 6,701
Change in accounts payable related to construction in progress	$ 705	$ (11,970)

See accompanying notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2014
(unaudited)

(1) Formation of the Partnership, Organization and Nature of Business

Organization

CVR Partners, LP (referred to as "CVR Partners" or the "Partnership") is a Delaware limited partnership, formed in June 2007 by CVR Energy, Inc. (together with its subsidiaries, but excluding the Partnership and its subsidiaries, "CVR Energy") to own Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF"). CRNF is an independent producer and marketer of upgraded nitrogen fertilizer products sold in North America. CRNF operates a dual-train coke gasifier plant that produces high-purity hydrogen, most of which is subsequently converted to ammonia and upgraded to urea ammonium nitrate ("UAN").

CRNF produces and distributes nitrogen fertilizer products, which are used primarily by farmers to improve the yield and quality of their crops. CRNF's principal products are UAN and ammonia. These products are manufactured at CRNF's facility in Coffeyville, Kansas. CRNF's product sales are heavily weighted toward UAN and all of its products are sold on a wholesale basis.

Operation of Partnership

Subsequent to the closing of the Partnership's initial public offering (the "Initial Public Offering"), in April 2011 and through May 27, 2013, public security holders held approximately 30% of the Partnership's common units and Coffeyville Resources, LLC ("CRLLC"), a wholly-owned subsidiary of CVR Energy, held approximately 70% of the Partnership's common units and the general partner interest. As of June 30, 2014, IEP Energy LLC and certain affiliates (collectively "IEP") owned approximately 82% of the shares of CVR Energy.

On May 28, 2013, CRLLC sold 12,000,000 of our common units to the public at a price of $25.15 per unit in a registered public offering (the "Secondary Offering"). The net proceeds to CRLLC from the Secondary Offering were approximately $292.6 million, after deducting approximately $9.2 million in underwriting discounts and commissions. We did not receive any of the proceeds from the sale of common units by CRLLC. Subsequent to the closing of the Secondary Offering and as of June 30, 2014, public security holders held approximately 47% of the Partnership's common units and CRLLC held approximately 53% of the Partnership's common units and the general partner interest.

CVR GP, LLC (“CVR GP” or the “general partner”) manages and operates the Partnership. Common unitholders have only limited voting rights on matters affecting the Partnership. In addition, common unitholders have no right to elect the general partner's directors on an annual or continuing basis.

The Partnership is operated by a combination of the general partner's senior management team and CVR Energy's senior management team pursuant to a services agreement among CVR Energy, CVR GP and the Partnership. In October 2007, the Partnership's partners at that time entered into an amended and restated limited partnership agreement setting forth their various rights and responsibilities. The Partnership also entered into a number of agreements with CVR Energy and CVR GP to regulate certain business relations between the Partnership and the other parties thereto. See Note 13 ("Related Party Transactions") for further discussion.

(2) Basis of Presentation

The accompanying Partnership condensed consolidated financial statements include the accounts of CVR Partners and CRNF, its wholly-owned subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. The accompanying 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”), including Article 3 of Regulation S-X, “General Instructions as to Consolidated Financial Statements.” These condensed consolidated financial statements should be read in conjunction with the December 31, 2013 audited consolidated financial statements and notes thereto included in CVR Partners’ Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 26, 2014 (the "2013 Form 10-K").

CVR PARTNERS, LP AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2014

(unaudited)

The condensed consolidated financial statements include certain selling, general and administrative expenses (exclusive of depreciation and amortization) and direct operating expenses that CVR Energy incurred on behalf of the Partnership. These related party transactions are governed by the services agreement. See Note 13 ("Related Party Transactions") for additional discussion of the services agreement and billing and allocation of certain costs. The amounts charged or allocated to the Partnership are not necessarily indicative of the costs that the Partnership would have incurred had it operated as an independent entity.

In the opinion of the Partnership's management, the accompanying condensed consolidated financial statements and related notes reflect all adjustments (consisting only of normal recurring adjustments) that are necessary to fairly present the financial position of the Partnership as of June 30, 2014 and December 31, 2013, the results of operations and comprehensive income of the Partnership for the three and six months ended June 30, 2014 and 2013, the cash flows of the Partnership for the six months ended June 30, 2014 and 2013 and the changes in partners' capital for the Partnership for the six months ended June 30, 2014.

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. Results of operations and cash flows are not necessarily indicative of the results that will be realized for the year ending December 31, 2014, or any other interim or annual period.

(3) Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2014-09, *"Revenue from Contracts with Customers"* ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard is effective for interim and annual periods beginning after December 15, 2016 and permits the use of either the retrospective or cumulative effect transition method. Early adoption is not permitted. The Partnership has not yet selected a transition method and is currently evaluating the standard and the impact on its consolidated financial statements and footnote disclosures.

(4) Share-Based Compensation

Certain employees of CVR Partners and employees of CVR Energy who perform services for the Partnership participate in equity compensation plans of CVR Partners' affiliates. Accordingly, CVR Partners has recorded compensation expense for these plans in accordance with Staff Accounting Bulletin ("SAB") Topic 1-B ("Allocations of Expenses and Related Disclosures in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity") and in accordance with guidance regarding the accounting for share-based compensation granted to employees of an equity method investee. All compensation expense related to these plans for full-time employees of CVR Partners has been allocated 100% to the Partnership. For employees of CVR Energy, the Partnership records share-based compensation relative to the percentage of time spent by each employee providing services to the Partnership as compared to the total calculated share-based compensation by CVR Energy. The Partnership is not responsible for payment of the allocated share-based compensation for certain plans as discussed below. Allocated expense amounts related to plans for which the Partnership is not responsible for payment are reflected as an increase or decrease to partners' capital.

Long-Term Incentive Plan – CVR Energy

CVR Energy has a Long-Term Incentive Plan ("CVR Energy LTIP") that permits the grant of options, stock appreciation rights, restricted shares, restricted stock units, dividend equivalent rights, share awards and performance awards (including performance share units, performance units and performance based restricted stock). As of June 30, 2014, only grants of restricted stock units and performance units under the CVR Energy LTIP remain outstanding. Individuals who are eligible to receive awards and grants under the CVR Energy LTIP include CVR Energy's or its subsidiaries' (including the Partnership) employees, officers, consultants and directors.

Restricted Stock Units

Through the CVR Energy LTIP, restricted shares have been granted to employees of CVR Energy and the Partnership. The IEP acquisition of CVR Energy and related Transaction Agreement dated April 18, 2012 between CVR Energy and IEP ("Transaction Agreement") triggered a modification to outstanding awards under the CVR Energy LTIP. Pursuant to the Transaction Agreement, restricted shares scheduled to vest in 2013, 2014 and 2015 were converted to restricted stock units whereby the awards will be settled in cash upon vesting in an amount equal to the lesser of the offer price of $30.00 per share or the fair market value as determined at the most recent valuation date of December 31 of each year. The awards, which generally vest over a three-year period, will be remeasured at each subsequent reporting date until they vest.

In December 2012 and during 2013, restricted stock units and dividend equivalent rights were granted to certain employees of CVR Energy and its subsidiaries (including the Partnership). The awards are scheduled to vest over three years, with one-third of the award vesting each year with the exception of awards granted to certain executive officers scheduled to vest over one year. Awards granted in December 2012 to Mr. Lipinski, CVR Energy's Chief Executive Officer and President, were canceled in connection with the issuance of certain performance unit awards as discussed further below. Each restricted stock unit and dividend equivalent right represents the right to receive, upon vesting, a cash payment equal to (a) the fair market value of one share of CVR Energy's common stock, plus (b) the cash value of all dividends declared and paid per share of CVR Energy's common stock from the grant date to and including the vesting date. The awards will be remeasured at each subsequent reporting date until they vest.

Assuming the allocation of costs from CVR Energy remains consistent with the allocation percentages in place at June 30, 2014, there was approximately $0.3 million of total unrecognized compensation cost related to restricted stock units and associated dividend equivalent rights to be recognized over a weighted-average period of approximately 0.8 years. Inclusion of a vesting table would not be meaningful due to changes in allocation percentages that occur from time to time. The unrecognized compensation expense has been determined by the number of restricted stock units and associated dividend equivalent rights and respective allocation percentage for individuals for whom, as of June 30, 2014, compensation expense has been allocated to the Partnership. Compensation expense recorded for the three months ended June 30, 2014 and 2013, related to the awards, was approximately $0.1 million and $0.5 million, respectively. Compensation expense recorded for the six months ended June 30, 2014 and 2013, related to the awards, was approximately $0.1 million and $1.2 million, respectively. The Partnership is not responsible for the payment of CVR Energy restricted stock units and associated dividend equivalent rights, and accordingly, the expenses recorded for the six months ended June 30, 2014 and 2013 have been reflected as an increase to partners' capital.

Performance Unit Awards

In December 2013, CVR Energy entered into Performance Unit Award Agreements with Mr. Lipinski. Certain of the Performance Unit Awards were entered into in connection with the cancellation of Mr. Lipinski's December 2012 restricted stock unit award, as discussed above. In accordance with accounting guidance related to the modification of share-based and other compensatory award arrangements, CVR Energy concluded that the cancellation and concurrent issuance of the performance awards created a substantive service period from the original grant date of the December 2012 restricted stock unit award through the end of the performance period for the related performance awards. Compensation cost for the related awards is being recognized over the substantive service period. Compensation expense recorded for the three and six months ended June 30, 2014 related to the performance unit awards was $0.3 million and $0.7 million. The Partnership will be responsible for reimbursing CVR Energy for its allocated portion of the performance unit awards. As of June 30, 2014 this obligation of $1.1 million is recorded in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet.

CVR PARTNERS, LP AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2014

(unaudited)

Incentive Unit Awards

In December 2013 and during 2014, CVR Energy granted awards of incentive units and distribution equivalent rights to certain employees of CRLLC and CVR Energy who provide shared services to CVR Energy and its subsidiaries (including the Partnership). The awards generally vest over three years, with one-third of the award vesting each year. Each incentive unit and distribution equivalent right represents the right to receive, upon vesting, a cash payment equal to (a) the average fair market value of one common unit of CVR Refining, LP ("CVR Refining") for the first ten trading days in the month of vesting, plus (b) the per unit cash value of all distributions declared and paid by CVR Refining from the grant date to and including the vesting date. The awards, which are liability-classified, will be remeasured at each subsequent reporting date until they vest.

Assuming the allocation of costs from CVR Energy remains consistent with the allocation percentages in place at June 30, 2014, there was approximately $0.8 million of total unrecognized compensation cost related to the incentive units and associated distribution equivalent rights to be recognized over a weighted-average period of approximately 1.5 years. Inclusion of a vesting table would not be meaningful due to changes in allocation percentages that occur from time to time. The unrecognized compensation expense has been determined by the number of incentive units and associated distribution equivalent rights and respective allocation percentage for individuals for whom, as of June 30, 2014, compensation expense has been allocated to the Partnership. Compensation expense recorded for the three and six months ended June 30, 2014 related to the awards was $0.2 million and $0.3 million. The Partnership will be responsible for reimbursing CVR Energy for its allocated portion of the awards. As of June 30, 2014 this obligation of $0.3 million is recorded in accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet.

Long-Term Incentive Plan – CVR Partners

In connection with the Initial Public 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 (1) employees of the Partnership and its subsidiaries, (2) employees of the general partner, (3) members of the board of directors of the general partner, and (4) CVR Partners' parent's employees, 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. Through the CVR Partners LTIP, phantom and common units have been awarded to employees of the Partnership and the general partner and to members of the board of directors of the general partner. Phantom unit awards made to employees and members of the board of directors of the general partner are considered a non-employee equity based award and are required to be marked-to-market each reporting period until they vest. Awards to employees of the Partnership and the general partner generally vest over three years with one-third of the award vesting each year. Awards to members of the board of directors of the general partner generally vest immediately on the grant date. The maximum number of common units issuable under the CVR Partners LTIP is 5,000,000. As of June 30, 2014, there were 4,809,048 common units available for issuance under the CVR Partners LTIP.

Common Units and Certain Phantom Units Awards

In December 2012, the board of directors of the general partner approved an amendment to modify the terms of certain phantom unit awards granted to employees of the Partnership and its subsidiaries. Prior to the amendment, the phantom units, when granted, were valued at the closing market price of the Partnership's common units on the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the units. These phantom units generally vest over a three-year period. The amendment triggered a modification to the awards by providing that the phantom units would be settled in cash rather than in common units of the Partnership. For awards vesting subsequent to the amendment, the awards will be remeasured at each subsequent reporting date until they vest. As a result of the modification of the awards, the classification changed from equity-classified awards to liability-classified awards.

In December 2013 and during 2014, awards of phantom units and distribution equivalent rights were granted to certain employees of the Partnership and its subsidiaries' employees and the employees of the general partner. The awards generally vest over three years on the basis of one-third of the award each year. Each phantom unit and distribution equivalent right represents the right to receive, upon vesting, a cash payment equal to (a) the average fair market value of one unit of the Partnership's common units for the first ten trading days in the month of vesting, plus (b) the per unit cash value of all distributions declared and paid by the Partnership from the grant date to and including the vesting date. The awards, which are liability-classified, will be remeasured at each subsequent reporting date until they vest.

A summary of the common units and phantom units (collectively "Units") activity during the six months ended June 30, 2014 is presented below:

	Units	Weighted-Average Grant Date Fair Value
Non-vested at January 1, 2014	171,119	$ 21.34
Granted	5,093	18.86
Vested	(814)	21.05
Forfeited	(64,629)	23.36
Non-vested at June 30, 2014	110,769	$ 20.06

Unrecognized compensation expense associated with the unvested common and phantom units at June 30, 2014 was approximately $1.1 million and is expected to be recognized over a weighted average period of 1.2 years. In conjunction with Mr. Kelley's resignation that was effective January 1, 2014, all awards granted to him that were non-vested at the resignation date were forfeited. Due to the timing of this event, the Partnership had reflected the impact of this event in determining the unrecognized compensation expense as the resignation was expected at December 31, 2013. The associated change to the non-vested units forfeited was reflected at the resignation date and is included in the summary presented above. Compensation expense recorded for the three months ended June 30, 2014 and 2013 related to the awards under the CVR Partners LTIP was approximately $0.2 million and $0.4 million, respectively. Compensation expense recorded for the six months ended June 30, 2014 and 2013 related to the awards under the CVR Partners LTIP was approximately $0.6 million and $1.0 million, respectively. As of June 30, 2014 and December 31, 2013 the Partnership had a liability of $0.6 million and $0.2 million, respectively, for cash settled non-vested phantom unit awards and associated distribution equivalent rights, which is recorded in personnel accruals on the Condensed Consolidated Balance Sheets.

Performance-Based Phantom Unit Award

In May 2014, the Partnership entered into a Phantom Unit Agreement with Mr. Pytosh that included performance-based phantom units and distribution equivalent rights. Compensation cost for these awards is being recognized over the performance cycles of May 1, 2014 to December 31, 2014, January 1, 2015 to December 31, 2015 and January 1, 2016 to December 31, 2016, as the services are provided. Each phantom unit and distribution equivalent right represents the right to receive, upon vesting, a cash payment equal to (a) the average closing price of the Partnership's common units for the first ten business days of the last month of the performance cycle, multiplied by a performance factor that is based upon the level of the Partnership's production of UAN, and (b) the per unit cash value of all distributions declared and paid by the Partnership from the grant date to and including the vesting date. Assuming the allocation of costs from CVR Energy remains consistent with the allocation percentages in place at June 30, 2014, unrecognized compensation expense associated with the unvested units at June 30, 2014 was approximately $0.3 million and is expected to be recognized over a weighted average period of 1.5 years. Compensation expense recorded for the three months ended June 30, 2014 related to the award was nominal. The Partnership will be reimbursed by CVR Energy and CVR Refining for the portion of the award attributable to time Mr. Pytosh spends working on matters for those companies. As of June 30, 2014, the Partnership had a liability for the non-vested phantom unit award and associated distribution equivalent rights, which is recorded in personnel accruals on the Condensed Consolidated Balance Sheets.

(5) Inventories

Inventories consisted of the following:

	June 30, 2014	December 31, 2013
	(in thousands)	
Finished goods	$ 7,933	$ 8,849
Raw materials and precious metals	8,091	8,546
Parts and supplies	14,889	15,669
	$ 30,913	$ 33,064

(6) Property, Plant, and Equipment

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

	June 30, 2014	December 31, 2013
	(in thousands)	
Land and improvements	$ 5,161	$ 5,032
Buildings and improvements	2,213	2,191
Machinery and equipment	553,788	548,282
Automotive equipment	450	450
Furniture and fixtures	890	893
Railcars	7,875	7,902
Construction in progress	7,315	5,294
	$ 577,692	$ 570,044
Less: Accumulated depreciation	170,519	157,088
Total property, plant and equipment, net	$ 407,173	$ 412,956

Capitalized interest recognized as a reduction of interest expense for the three months ended June 30, 2014 and 2013 totaled approximately $44,000 and $0.1 million, respectively. For the six months ended June 30, 2014 and 2013, capitalized interest recognized as a reduction of interest expense totaled approximately $79,000 and $0.5 million, respectively.

Direct operating expenses exclude depreciation and amortization of approximately $6.7 million and $6.1 million for the three months ended June 30, 2014 and 2013, respectively. Direct operating expenses exclude depreciation and amortization of approximately $13.3 million and $11.9 million for the six months ended June 30, 2014 and 2013, respectively.

Cost of products sold expenses exclude depreciation and amortization of approximately $0.1 million and $0.1 million for the three months ended June 30, 2014 and 2013, respectively, and approximately $0.2 million and $0.1 million for the six months ended June 30, 2014 and 2013, respectively.

(7) Partners' Capital and Partnership Distributions

The Partnership has two types of partnership interests outstanding:

- common units; and
- a general partner interest, which is not entitled to any distributions, and which is held by the general partner.

At June 30, 2014, the Partnership had a total of 73,113,537 common units issued and outstanding, of which 38,920,000 common units were owned by CRLLC, representing approximately 53% of the total Partnership units outstanding.

The board of directors of the Partnership's general partner has adopted a policy for the Partnership to distribute all available cash generated on a quarterly basis. Cash distributions will be made to the common unitholders of record on the applicable record date, generally within 60 days after the end of each quarter. Available cash for each quarter will be determined by the board of directors of the general partner following the end of such quarter.

Available cash for each quarter will generally begin with Adjusted EBITDA reduced for cash needed for: (i) net interest expense (excluding capitalized interest) and debt service and other contractual obligations; (ii) maintenance capital expenditures; and (iii) to the extent applicable, major scheduled turnaround expense incurred and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate, if any. Adjusted EBITDA is defined as EBITDA (net income before interest expense, net, income tax expense, depreciation and amortization) further adjusted for the impact of non-cash share-based compensation, and, where applicable, major scheduled turnaround expense and loss on disposition of assets. Available cash for distributions may be increased by previously established cash reserves, if any, at the discretion of the board of directors of our general partner.

The following is a summary of cash distributions paid to the Partnership's unitholders during 2014 for the respective quarters to which the distributions relate:

	December 31, 2013	March 31, 2014	Total Cash Distributions Paid in 2014
	($ in millions, expect per common unit amounts)		
Amount paid to CRLLC	$ 16.7	$ 14.8	$ 31.5
Amounts paid to public unitholders	14.7	13.0	27.7
Total amount paid	$ 31.4	$ 27.8	$ 59.2
Per common unit	$ 0.43	$ 0.38	$ 0.81
Common units outstanding (in thousands)	73,113	73,113	

On July 30, 2014, the Board of Directors of the general partner of the Partnership declared a cash distribution for the second quarter of 2014 in the amount of $0.33 per common unit, or approximately $24.1 million in aggregate. The cash distribution will be paid on August 18, 2014 to the Partnership's unitholders of record at the close of business on August 11, 2014.

(8) Net Income per Common Unit

The Partnership's net income is allocated wholly to the common units as the general partner does not have an economic interest. Basic and diluted net income per common unit is calculated by dividing net income by the weighted-average number of common units outstanding during the period and, when applicable, gives effect to certain units granted under the CVR Partners LTIP. The common units issued during the period are included on a weighted-average basis for the days in which they were outstanding.

(9) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities were as follows:

	June 30, 2014	December 31, 2013
	(in thousands)	
Property taxes	$ 1,382	$ 1,373
Current interest rate swap	922	883
Accrued interest	458	458
Other accrued expenses and liabilities (1)	7,208	2,345
	$ 9,970	$ 5,059

(1) Other accrued expenses and liabilities include amounts owed by the Partnership to Coffeyville Resources Refining & Marketing, LLC (“CRRM”), a related party, under both the feedstock and shared services agreement and the services agreement. Refer to Note 13 ("Related Party Transactions") for additional discussion.

(10) Credit Facility

The Partnership's 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. No amounts were outstanding under the revolving credit facility at June 30, 2014 and December 31, 2013. There is no scheduled amortization and the credit facility matures in April 2016.

Borrowings under the credit facility bear interest at either a Eurodollar rate or a base rate plus in either case a margin based on a pricing grid determined by the trailing four quarter leverage ratio. The margin for borrowings under the credit facility ranges from 3.50% to 4.25% for Eurodollar loans and 2.50% to 3.25% for base rate loans. Currently, the interest rate is either the Eurodollar rate plus a margin of 3.50% or, for base rate loans, the prime rate plus 2.50%. Under its terms, the lenders under the credit facility were granted a first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CVR Partners and CRNF.

The credit facility requires CVR Partners to maintain a minimum interest coverage ratio and a maximum leverage ratio and contains customary covenants for a financing of this type. The credit facility provides that the Partnership can make distributions to holders of the Partnership's common units provided the Partnership is in compliance with its leverage ratio and interest coverage ratio covenants on a pro forma basis after giving effect to such distribution and there is no default or event of default under the facility. As of June 30, 2014, CVR Partners was in compliance with the covenants contained in the credit facility.

CVR PARTNERS, LP AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
June 30, 2014
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(11) Interest Rate Swap Agreements

CRNF is subject to two floating-to-fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125.0 million floating rate term debt which matures in April 2016. See Note 10 ("Credit Facility"). The aggregate notional amount covered under these agreements, which commenced on August 12, 2011 and expire on February 12, 2016, totals $62.5 million (split evenly between the two agreement dates). Under the terms of the interest rate swap agreement entered into on June 30, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.94%. Under the terms of the interest rate swap agreement entered into on July 1, 2011, CRNF will receive a floating rate based on three month LIBOR and pay a fixed rate of 1.975%. Both swap agreements are settled every 90 days. The effect of these swap agreements is to lock in a fixed rate of interest of approximately 1.96% plus the applicable margin paid to lenders over three month LIBOR as calculated under the credit facility. At June 30, 2014, the effective rate was approximately 4.55%. The agreements were designated as cash flow hedges at inception, and accordingly, the effective portion of the gain or loss on the swap is reported as a component of accumulated other comprehensive income (loss) (“AOCI”) and will be reclassified into interest expense when the interest rate swap transaction affects earnings. Any ineffective portion of the gain or loss will be recognized immediately in interest expense. The realized loss on the interest rate swap reclassified from AOCI into interest expense and other financing costs on the Condensed Consolidated Statements of Operations was $0.3 million and $0.3 million for the three months ended June 30, 2014 and 2013, respectively, and $0.5 million and $0.5 million for the six months ended June 30, 2014 and 2013, respectively.

The interest rate swap agreements held by the Partnership also provide for the right to setoff. However, as the interest rate swaps are in a liability position, there are no amounts offset in the Condensed Consolidated Balance Sheets as of June 30, 2014 and December 31, 2013.

(12) Commitments and Contingencies

Leases and Unconditional Purchase Obligations

The minimum required payments for the Partnership’s operating leases and unconditional purchase obligations are as follows:

	Operating Leases	Unconditional Purchase Obligations(1)
	(in thousands)	
Six months ending December 31, 2014	$ 2,707	$ 16,849
Year ending December 31, 2015	5,191	14,001
Year ending December 31, 2016	4,466	14,253
Year ending December 31, 2017	2,827	14,547
Year ending December 31, 2018	2,014	14,505
Thereafter	4,917	94,227
	$ 22,122	$ 168,382

(1) This includes the Partnership’s purchase obligation for pet coke from CVR Refining and has been derived from a calculation of the average pet coke price paid to CVR Refining over the preceding two year period. Railcar purchase obligations, as disclosed in Note 13 ("Related Party Transactions"), have also been included.

CRNF leases railcars and facilities under long-term operating leases. Lease expense for the three months ended June 30, 2014 and 2013 totaled approximately $1.1 million and $1.0 million, respectively. Lease expense for the six months ended June 30, 2014 and 2013 totaled approximately $2.3 million and $2.4 million, respectively. The lease agreements have various remaining terms. Some agreements are renewable, at CRNF’s option, for additional periods. It is expected, in the ordinary course of business, that leases will be renewed or replaced as they expire.

CVR PARTNERS, LP AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2014

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CRNF has an agreement with the City of Coffeyville pursuant to which it must make a series of future payments for the supply, generation and transmission of electricity based upon agreed upon rates. This agreement expires on July 1, 2019.

During 2005, CRNF entered into the Amended and Restated On-Site Product Supply Agreement with The BOC Group, Inc. (as predecessor in interest to Linde LLC). Pursuant to the agreement, which expires in 2020, CRNF is required to take as available and pay approximately $0.3 million to $0.4 million per month, which amount is subject to annual inflation adjustments, for the supply of oxygen and nitrogen to the fertilizer operation. Expenses associated with this agreement are included in direct operating expenses (exclusive of depreciation and amortization) and for both the three months ended June 30, 2014 and 2013 totaled approximately $1.0 million, respectively. For the six months ended June 30, 2014 and 2013, the expense for both totaled approximately $2.0 million, respectively.

The Partnership entered into a pet coke supply agreement with HollyFrontier Corporation. The term of this agreement ends in December 2014 and may be renewed. Expenses related to the pet coke supply agreement totaled approximately $1.0 million and $0.8 million for the three months ended June 30, 2014 and 2013, respectively, which are recorded in cost of product sold (exclusive of depreciation and amortization). For the six months ended June 30, 2014 and 2013, these expenses totaled approximately $2.3 million and $2.2 million, respectively.

Litigation

From time to time, the Partnership 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 due to uncertainties inherent in litigation and settlement negotiations. Except as described below, there were no new proceedings or material developments in proceedings that we previously reported in our 2013 Form 10-K. In the opinion of management, the ultimate resolution of any other litigation matters are 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.

Environmental, Health, and Safety (“EHS”) Matters

CRNF is 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.

CRNF owns and operates a facility utilized for the manufacture of nitrogen fertilizers. Therefore, CRNF has exposure to potential EHS liabilities related to past and present EHS conditions at this location. Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act, and related state laws, certain persons may be liable for the release or threatened release of hazardous substances. These persons can include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred, and any persons who disposed of, or arranged for the transportation or disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, and under certain circumstances, joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances.

CRNF is also subject to extensive and frequently changing federal, state and local, environmental and health and safety laws and regulations governing the emission and release of hazardous substances into the environment, the treatment and discharge of waste water, and the storage, handling, use and transportation of nitrogen products. The ultimate impact of complying with evolving laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws, such as the federal Clean Air Act, have not yet been finalized, are under governmental or judicial review or are being revised. These laws and regulations could result in increased capital, operating and compliance costs.

CVR PARTNERS, LP AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2014

(unaudited)

There have been no new developments or material changes to the environmental accruals or expected capital expenditures related to compliance with the foregoing environmental matters from those provided in our 2013 Form 10-K. CRNF believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described or referenced herein or other EHS matters which may develop in the future will not have a material adverse effect on the Partnership's business, financial condition, or results of operations.

EHS expenditures are capitalized when such expenditures are expected to result in future economic benefits. EHS capital expenditures for the three and six months ended June 30, 2014 were $0.1 million. EHS capital expenditures for the three and six months ended June 30, 2013 were nominal. These expenditures were incurred for environmental compliance and efficiency of the operations.

(13) Related Party Transactions

Related Party Agreements

In connection with the formation of CVR Partners and the initial public offering of CVR Energy in October 2007, CVR Partners and CRNF entered into several agreements with CVR Energy and its subsidiaries (including CRRM) that govern the business relations among CVR Partners, its general partner and CRNF on the one hand, and CVR Energy and its subsidiaries, on the other hand. Certain of the agreements described below were subsequently amended and restated. Amounts owed to CVR Partners and CRNF from CVR Energy and its subsidiaries with respect to these agreements are included in prepaid expenses and other current assets, and other long-term assets, on the Condensed Consolidated Balance Sheets. Conversely, amounts owed to CVR Energy and its subsidiaries by CVR Partners and CRNF with respect to these agreements are included in accounts payable, accrued expenses and other current liabilities, and other long-term liabilities, on the Partnership's Condensed Consolidated Balance Sheets.

CVR Refining completed its initial public offering (the "Refining Partnership IPO") in January 2013. CVR Energy currently indirectly owns the general partner of CVR Refining and the majority of CVR Refining's outstanding common units. Although certain of CVR Energy's subsidiaries that are parties to the related party agreements discussed below were contributed to CVR Refining in connection with the Refining Partnership IPO and are now subsidiaries of CVR Refining, the Refining Partnership IPO had no impact on the Partnership's business relations with these subsidiaries.

Feedstock and Shared Services Agreement

CRNF entered into a feedstock and shared services agreement with CRRM which was most recently amended in December 2013, under which the two parties provide feedstock and other services to one another. These feedstocks and services are utilized in the respective production processes of CRRM's Coffeyville, Kansas refinery and CRNF's nitrogen fertilizer plant.

Pursuant to the feedstock and shared services agreement, CRNF and CRRM have agreed to transfer hydrogen to one another; provided, CRNF is not required to sell hydrogen to CRRM if such hydrogen is required for operation of CRNF's nitrogen fertilizer plant, if such sale would adversely affect the Partnership's classification as a partnership for federal income tax purposes, or if such sale would not be in CRNF's best interest. Net monthly sales of hydrogen to CRRM have been reflected as net sales for CVR Partners. Net monthly receipts of hydrogen from CRRM have been reflected in cost of product sold for CVR Partners. For the three months ended June 30, 2014 and 2013, the net sales generated from the sale of hydrogen to CRRM were approximately $0.9 million and $4.0 million, respectively. For the six months ended June 30, 2014 and 2013, the net sales generated from the sale of hydrogen to CRRM were approximately $6.8 million and $4.0 million, respectively. For the three months ended June 30, 2014 and 2013, CVR Partners also recognized $0 and $0.1 million, respectively, of cost of product sold related to the transfer of excess hydrogen from the Coffeyville refinery. For the six months ended June 30, 2014 and 2013, CVR Partners also recognized $0 and $0.3 million, respectively, of cost of product sold related to the transfer of excess hydrogen from the Coffeyville refinery. At June 30, 2014 and December 31, 2013, there were approximately $0 and $2.6 million, respectively, of receivables included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets associated with unpaid balances related to hydrogen sales.

CRNF is also obligated to make available to CRRM any nitrogen produced by the Linde air separation plant that is not required for the operation of the nitrogen fertilizer plant, as determined by CRNF in a commercially reasonable manner. Reimbursed direct operating expenses associated with nitrogen for the three months ended June 30, 2014 and 2013, were approximately $0.3 million and $0.1 million, respectively. Reimbursed direct operating expenses associated with nitrogen for the six months ended June 30, 2014 and 2013, were approximately $0.5 million and $0.3 million, respectively. No amounts were paid by CRNF to CRRM for any of the periods presented.

The agreement also provides a mechanism pursuant to which CRNF transfers a tail gas stream to CRRM. CRNF receives the benefit of eliminating a waste gas stream and recovers the fuel value of the tail gas system. For the three months ended June 30, 2014 and 2013, the net sales generated from the sale of tail gas to CRRM were nominal. For the six months ended June 30, 2014 and 2013, the net sales generated from the sale of tail gas to CRRM were nominal.

In April 2011, in connection with the tail gas stream transfers to CRRM, CRRM installed a pipe between the Coffeyville, Kansas refinery and the nitrogen fertilizer plant to transfer the tail gas. CRNF agreed to pay CRRM the cost of installing the pipe over the next three years and, in 2014, provide an additional 15% to cover the cost of capital. At June 30, 2014 and December 31, 2013, there were assets of approximately $0.2 million and $0.2 million included in other current assets, approximately $1.1 million and $1.1 million included in other non-current assets, an offset liability of approximately $0.2 million and $0.3 million in other current liabilities and approximately $0 and $0.1 million of other non-current liabilities in the Condensed Consolidated Balance Sheets.

When CRNF retains excess sulfur from its operations, CRRM agrees to handle such sulfur in exchange for a fee payable to transport, store and sell the excess sulfur when possible. CRRM reimburses CRNF for any excess in the sales price of the sulfur above its costs. Approximately $0 and $31,000 were reimbursed by CRRM for the sale of excess sulfur for the three months ended June 30, 2014 and 2013. For the six months ended June 30, 2014 and 2013, approximately $84,000 and $65,000 were reimbursed by CRRM for the sale of excess sulfur. These reimbursements were recorded as reductions to direct operating expenses.

The agreement has an initial term of 20 years, which will be automatically extended for successive five year renewal periods. Either party may terminate the agreement, effective upon the last day of a term, by giving notice no later than three years prior to a renewal date. The agreement will also be terminable by mutual consent of the parties or if one party breaches the agreement and does not cure within applicable cure periods and the breach materially and adversely affects the ability of the terminating party to operate its facility. Additionally, the agreement may be terminated in some circumstances if substantially all of the operations at the nitrogen fertilizer plant or the Coffeyville, Kansas refinery are permanently terminated, or if either party is subject to a bankruptcy proceeding or otherwise becomes insolvent.

At June 30, 2014 and December 31, 2013, receivables of $0.2 million and $0.3 million, respectively, were included in prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets for amounts yet to be received related to components of the feedstock and shared services agreement other than amounts related to hydrogen sales and pet coke purchases. At June 30, 2014 and December 31, 2013, current obligations of $1.1 million and $1.0 million, respectively, were included in accounts payable on the Condensed Consolidated Balance Sheets associated with unpaid balances related to components of the feedstock and shared services agreement, other than amounts related to hydrogen sales and pet coke purchases.

Coke Supply Agreement

CRNF entered into a coke supply agreement with CRRM pursuant to which CRRM supplies CRNF with pet coke. This agreement provides that CRRM must deliver to CRNF during each calendar year an annual required amount of pet coke equal to the lesser of (i) 100 percent of the pet coke produced at CRRM's Coffeyville, Kansas petroleum refinery or (ii) 500,000 tons of pet coke. CRNF is also obligated to purchase this annual required amount. If during a calendar month CRRM produces more than 41,667 tons of pet coke, then CRNF will have the option to purchase the excess at the purchase price provided for in the agreement. If CRNF declines to exercise this option, CRRM may sell the excess to a third party.

CRNF obtains most (over 70% on average during the last five years) of the pet coke it needs from CRRM's adjacent crude oil refinery pursuant to the pet coke supply agreement, and procures the remainder through a contract with HollyFrontier Corporation and on the open market. The price CRNF 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.

CRNF will pay any taxes associated with the sale, purchase, transportation, delivery, storage or consumption of the pet coke. CRNF is entitled to offset any amount payable for the pet coke against any amount due from CRRM under the feedstock and shared services agreement between the parties.

The agreement has an initial term of 20 years and will be automatically extended for successive five year renewal periods. Either party may terminate the agreement by giving notice no later than three years prior to a renewal date. The agreement is also terminable by mutual consent of the parties or if a party breaches the agreement and does not cure within applicable cure periods. Additionally, the agreement may be terminated in some circumstances if substantially all of the operations at the nitrogen fertilizer plant or the Coffeyville, Kansas refinery are permanently terminated, or if either party is subject to a bankruptcy proceeding or otherwise becomes insolvent.

The cost of pet coke associated with the transfer of pet coke from CRRM to CRNF was approximately $2.2 million and $2.5 million for the three months ended June 30, 2014 and 2013, respectively. For the six months ended June 30, 2014 and 2013, cost of pet coke associated with the transfer of pet coke from CRRM to CRNF was approximately $4.5 million and $5.1 million, respectively. Payables of $0.6 million and $0.6 million related to the coke supply agreement were included in accounts payable on the Condensed Consolidated Balance Sheets at June 30, 2014 and December 31, 2013, respectively.

Environmental Agreement

CRNF entered into an environmental agreement with CRRM which provides for certain indemnification and access rights in connection with environmental matters affecting the Coffeyville, Kansas refinery and the nitrogen fertilizer plant. Generally, both CRNF and CRRM have agreed to indemnify and defend each other and each other’s affiliates against liabilities associated with certain hazardous materials and violations of environmental laws that are a result of or caused by the indemnifying party’s actions or business operations. This obligation extends to indemnification for liabilities arising out of off-site disposal of certain hazardous materials. Indemnification obligations of the parties will be reduced by applicable amounts recovered by an indemnified party from third parties or from insurance coverage.

The agreement provides for indemnification in the case of contamination or releases of hazardous materials that were present but unknown at the time the agreement was entered into to the extent such contamination or releases were identified in reasonable detail through October 2012. The agreement further provides for indemnification in the case of contamination or releases which occur subsequent to the execution of the agreement.

The term of the agreement is for at least 20 years, or for so long as the feedstock and shared services agreement is in force, whichever is longer.

Services Agreement

CVR Partners obtains certain management and other services from CVR Energy pursuant to a services agreement between the Partnership, CVR GP and CVR Energy. Under this agreement, the Partnership’s general partner has engaged CVR Energy to conduct a substantial portion of its day-to-day business operations. CVR Energy provides CVR Partners with the following services under the agreement, among others:

- services from CVR Energy’s employees in capacities equivalent to the capacities of corporate executive officers, except that those who serve in such capacities under the agreement shall serve the Partnership on a shared, part-time basis only, unless the Partnership and CVR Energy agree otherwise;

- administrative and professional services, including legal, accounting services, human resources, insurance, tax, credit, finance, government affairs and regulatory affairs;
- management of the Partnership’s property and the property of its operating subsidiary in the ordinary course of business;
- recommendations on capital raising activities to the board of directors of the Partnership’s general partner, including the issuance of debt or equity interests, the entry into credit facilities and other capital market transactions;
- managing or overseeing litigation and administrative or regulatory proceedings, establishing appropriate insurance policies for the Partnership and providing safety and environmental advice;
- recommending the payment of distributions; and
- managing or providing advice for other projects, including acquisitions, as may be agreed by CVR Energy and the Partnership’s general partner from time to time.

As payment for services provided under the agreement, the Partnership, its general partner or CRNF must pay CVR Energy (i) all costs incurred by CVR Energy or its affiliates in connection with the employment of its employees, other than administrative personnel, who provide the Partnership services under the agreement on a full-time basis, but excluding certain share-based compensation; (ii) a prorated share of costs incurred by CVR Energy or its affiliates in connection with the employment of its employees, including administrative personnel, who provide the Partnership services under the agreement on a part-time basis, but excluding certain share-based compensation, and such prorated share shall be determined by CVR Energy on a commercially reasonable basis, based on the percentage of total working time that such shared personnel are engaged in performing services for the Partnership; (iii) a prorated share of certain administrative costs, including office costs, services by outside vendors, other sales, general and administrative costs and depreciation and amortization; and (iv) various other administrative costs in accordance with the terms of the agreement, including travel, insurance, legal and audit services, government and public relations and bank charges.

Either CVR Energy or the Partnership's general partner may temporarily or permanently exclude any particular service from the scope of the agreement upon 180 days' notice and either CVR Energy or the Partnership's general partner may terminate the agreement upon at least 180 days' notice, but not more than one year's notice. Furthermore, the Partnership's general partner may terminate the agreement immediately if CVR Energy becomes bankrupt or dissolves or commences liquidation or winding-up procedures.

In order to facilitate the carrying out of services under the agreement, CVR Partners and CVR Energy have granted one another certain royalty-free, non-exclusive and non-transferable rights to use one another’s intellectual property under certain circumstances.

Net amounts incurred under the services agreement for the three months ended June 30, 2014 and 2013 were approximately $3.6 million and $3.6 million, respectively. Of these charges approximately $2.7 million and $2.5 million, respectively, are included in selling, general and administrative expenses (exclusive of depreciation and amortization). In addition, $0.9 million and $1.1 million, respectively, of these charges are included in direct operating expenses. Net amounts incurred under the services agreement for the six months ended June 30, 2014 and 2013 were approximately $7.1 million and $6.9 million, respectively. Of these charges approximately $5.3 million and $4.6 million, respectively, are included in selling, general and administrative expenses (exclusive of depreciation and amortization). In addition, $1.8 million and $2.3 million, respectively, of these charges are included in direct operating expenses. For services performed in connection with the services agreement, the Partnership recognized personnel costs of $1.5 million and $1.0 million, respectively, for the three months ended June 30, 2014 and 2013. For services performed in connection with the services agreement, the Partnership recognized personnel costs of $2.8 million and $2.0 million, respectively, for the six months ended June 30, 2014 and 2013. At each of June 30, 2014 and December 31, 2013, current obligations of $3.3 million and $2.7 million were included in accounts payable and accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets with respect to amounts billed in accordance with the services agreement.

CVR PARTNERS, LP AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2014

(unaudited)

GP Services Agreement

The Partnership is party to a GP Services Agreement dated November 29, 2011 and subsequently amended between the Partnership, CVR GP and CVR Energy. As payment for certain specific services provided under the agreement, CVR Energy must pay a prorated share of costs incurred by the Partnership or its general partner in connection with the employment of certain employees who provide CVR Energy services on a part-time basis, as determined by the Partnership's general partner on a commercially reasonable basis based on the percentage of total working time that such shared personnel are engaged in performing services for CVR Energy. CVR Energy is not required to directly pay any compensation, salaries, bonuses or benefits to any of the Partnership's or general partner's employees who provide other services to CVR Energy on a full-time or part-time basis, thus the Partnership has and will continue to pay their compensation.

Limited Partnership Agreement

The Partnership's general partner manages the Partnership's operations and activities as specified in the partnership agreement. The general partner of the Partnership is managed by its board of directors. CRLLC has the right to select the directors of the general partner. Actions by the general partner that are made in its individual capacity are made by CRLLC as the sole member of the general partner and not by its board of directors. The members of the board of directors of the general partner are not elected by the unitholders and are not subject to re-election on a regular basis in the future. The officers of the general partner manage the day-to-day affairs of the Partnership's business.

The partnership agreement provides that the Partnership will reimburse its general partner for all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including salary, bonus, incentive compensation and other amounts paid to any person to perform services for the Partnership or for its general partner in connection with operating the Partnership). The Partnership reimbursed its general partner for the three months ended June 30, 2014 and 2013 approximately $0.6 million and $1.1 million, respectively, pursuant to the partnership agreement for personnel costs related to the compensation of executives at the general partner, who manage the Partnership's business. For the six months ended June 30, 2014 and 2013, approximately $0.9 million and $2.1 million were incurred related to amounts due for reimbursement, respectively. At June 30, 2014 and December 31, 2013, current obligations of $1.1 million and $2.0 million, respectively, were included in personnel accruals and accounts payable on the Condensed Consolidated Balance Sheets related to amounts outstanding in accordance with the limited partnership agreement.

Railcar Lease Agreement

From March 2009 through June 2013, the Partnership leased 199 railcars from American Railcar Leasing, LLC ("ARL"), a company controlled by Mr. Carl C. Icahn, CVR Energy's majority stockholder. The agreement was scheduled to expire on March 30, 2014. On June 13, 2013, the Partnership purchased the railcars from ARL for approximately $5.0 million. Rent expense is included in cost of product sold (exclusive of depreciation and amortization) in the Condensed Consolidated Statement of Operations. For the three and six months ended June 30, 2013, $0.1 million and $0.4 million, respectively, of rent expense was recorded related to this agreement.

Railcar Purchases and Maintenance

In the second quarter of 2014, the Partnership entered into a contract to purchase approximately fifty new UAN railcars from American Railcar Industries, Inc. ("ARI"), a company controlled by Mr. Carl C. Icahn, CVR Energy's majority stockholder, for approximately $6.7 million. The Partnership expects the delivery of the new railcars from ARI will commence in the third quarter of 2014 and will be completed by December 2014. ARI performed railcar maintenance for the Partnership starting in the second quarter of 2014. The expenses associated with this maintenance were about $52,000 for both the three and six months ended June 30, 2014.

Registration Rights Agreement

For the three and six months ended June 30, 2013, the Partnership recognized approximately $0.2 million and $0.5 million, respectively, in expenses for the benefit of CRLLC in connection with CRLLC's Secondary Offering in accordance with CVR Partners' Registration Rights Agreement. These amounts included filing fees, printer fees and external accounting and external legal fees incurred in conjunction with the filing of the registration statement for the Secondary Offering.

Insight Portfolio Group

Insight Portfolio Group LLC ("Insight Portfolio Group") is an entity formed by Mr. Icahn in order to maximize the potential buying power of a group of entities with which Mr. Icahn has a relationship in negotiating with a wide range of suppliers of goods, services and tangible and intangible property at negotiated rates. In January 2013, CVR Energy acquired a minority equity interest in Insight Portfolio Group. The Partnership participates in Insight Portfolio Group's buying group through its relationship with CVR Energy. The Partnership may purchase a variety of goods and services as members of the buying group at prices and on terms that management believes would be more favorable than those which would be achieved on a stand-alone basis. Transactions with Insight Portfolio Group for each of the reporting periods were nominal.

(14) Fair Value Measurements

In accordance with ASC Topic 820 — *Fair Value Measurements and Disclosures* ("ASC 820"), the Partnership 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, liabilities or a group of assets or liabilities, such as a business.

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 markets 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 Partnership'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 June 30, 2014 and December 31, 2013.

	June 30, 2014			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Financial Statement Caption and Description				
Cash equivalents (money market account)	$ 65,309	$ —	$ —	$ 65,309
Other current liabilities (interest rate swaps)	—	922	—	922
Other long-term liabilities (interest rate swaps)	—	629	—	629
Total Liabilities	—	1,551	—	1,551
Accumulated other comprehensive loss (interest rate swaps)	$ —	$ 1,551	$ —	$ 1,551

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Financial Statement Caption and Description				
Cash equivalents (money market account)	$ 65,299	$ —	$ —	$ 65,299
Other current liabilities (interest rate swaps)	—	883	—	883
Other long-term liabilities (interest rate swaps)	—	1,016	—	1,016
Total Liabilities	—	1,899	—	1,899
Accumulated other comprehensive loss (interest rate swaps)	$ —	$ 1,899	$ —	$ 1,899

As of June 30, 2014 and December 31, 2013, the only financial assets and liabilities that are measured at fair value on a recurring basis are the Partnership's money market accounts and derivative instruments. The carrying value of the Partnership's debt approximates fair value. The Partnership has interest rate swaps that are measured at fair value on a recurring basis using Level 2 inputs (see Note 11 "Interest Rate Swap Agreements"). The fair values of these interest rate swap instruments are based on discounted cash flow models that incorporate the cash flows of the derivatives, as well as the current LIBOR rate and a forward LIBOR curve, along with other observable market inputs. The Partnership had no transfers of assets or liabilities between any of the above levels during the six months ended June 30, 2014 and 2013.

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 unaudited condensed consolidated financial statements and related notes and with the statistical information and financial data appearing in this Report, as well as the Partnership's Annual Report on Form 10-K for the year ended December 31, 2013 and filed with the Securities and Exchange Commission ("SEC") on February 26, 2014 (the "2013 Form 10-K"). Results of operations and cash flows for the three months ended June 30, 2014 and 2013 are not necessarily indicative of results to be attained for any other period.

Forward-Looking Statements

This Report, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains "forward-looking statements" as defined by the SEC, including statements concerning contemplated transactions and strategic plans, expectations and objectives for future operations. Forward-looking statements 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 Report, 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 under "Risk Factors" in the Partnership's 2013 Form 10-K. Such factors include, among others:

- our ability to make cash distributions on the common units;
- the volatile nature of our business and the variable nature of our distributions;
- the ability of our general partner to modify or revoke our distribution policy at any time;
- the cyclical nature of our business;
- the seasonal nature of our business;
- the dependence of our operations on a few third-party suppliers, including providers of transportation services and equipment;
- our reliance on pet coke that we purchase from CVR Refining;
- the supply and price levels of essential raw materials;
- the risk of a material decline in production at our 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;

- competition in the nitrogen fertilizer businesses;
- capital expenditures and potential liabilities arising from environmental laws and regulations;
- 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;
- new regulations concerning the transportation of hazardous chemicals, risks of terrorism and the security of chemical manufacturing facilities;
- our lack of asset diversification;
- our dependence on significant customers;
- the potential loss of our transportation cost advantage over our competitors;
- our potential inability to successfully implement our business strategies, including the completion of significant capital programs;
- our reliance on CVR Energy's senior management team and conflicts of interest they face operating each of CVR Partners, CVR Refining and CVR Energy;
- risks relating to our relationships with CVR Energy and CVR Refining;
- control of our general partner by CVR Energy;
- our ability to continue to license the technology used in our operations;
- restrictions in our debt agreements;
- changes in our treatment as a partnership for U.S. federal income or state tax purposes; and
- instability and volatility in the capital and credit markets.

All forward-looking statements contained in this Report speak only as of the date of this document. We undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that occur after the date of this Report, or to reflect the occurrence of unanticipated events, except to the extent required by law.

Partnership Overview

We are a Delaware limited partnership formed by CVR Energy to own, operate and grow our nitrogen fertilizer business. Strategically located adjacent to CVR Refining's refinery in Coffeyville, Kansas, our nitrogen fertilizer manufacturing facility is the only operation in North America that utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer.

We produce and distribute nitrogen fertilizer products, which are used primarily by farmers to improve the yield and quality of their crops. Our principal products are UAN and ammonia. These products are manufactured at our facility in Coffeyville, Kansas. Our product sales are heavily weighted toward UAN and all of our products are sold on a wholesale basis.

Our facility includes a 1,225 ton-per-day ammonia unit, a 3,000 ton-per-day UAN unit, and a gasifier complex having a capacity of 84 million standard cubic feet per day of hydrogen. Our gasifier is a dual-train facility, with each gasifier able to function independently of the other, thereby providing redundancy and improving our reliability. With the completion of the UAN expansion in February 2013, we now upgrade substantially all of the ammonia we produce to higher margin UAN fertilizer, an aqueous solution of urea and ammonium nitrate which has historically commanded a premium price over ammonia. In 2013, we produced 930,643 tons of UAN and 401,971 tons of ammonia. Approximately 95% of our produced ammonia tons and substantially all of the purchased ammonia were upgraded into UAN in 2013. For the three months ended June 30, 2014 and 2013, we produced 223,407 tons and 225,166 tons of UAN and 92,249 tons and 91,318 tons of ammonia, respectively. For the six months ended June 30, 2014 and 2013, we produced 480,638 tons and 421,323 tons of UAN and 183,274 tons and 202,670 tons of ammonia, respectively. For the three and six months ended June 30, 2014, approximately 97% and 94%, respectively, of our produced and purchased ammonia tons were upgraded into UAN.

We will continue to expand our existing asset base and utilize the experience of our and CVR Energy's management teams to execute our growth strategy, which includes expanded production of UAN and acquiring and building additional infrastructure and production assets. A significant two-year plant expansion designed to increase our UAN production capacity by 400,000 tons per year, or approximately 50%, was completed in February 2013. Our expanded facility was operating at full rates at the end of the first quarter of 2013. CVR Energy, which indirectly owns our general partner and approximately 53% of our outstanding common units, also indirectly owns the general partner and approximately 67% of the common units of CVR Refining at June 30, 2014. CVR Refining currently owns and operates a complex full coking medium-sour crude oil refinery with a rated capacity of 115,000 barrels per calendar day (bpcd) in Coffeyville, Kansas, a medium complexity crude oil refinery with a rated capacity of 70,000 bpcd in Wynnewood, Oklahoma and ancillary businesses.

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 our nitrogen fertilizer competitors use natural gas as their primary raw material feedstock. Historically, pet coke has been 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, we believe our nitrogen fertilizer business has historically been one of the lower cost producers and marketers of ammonia and UAN fertilizers in North America. We currently purchase most of our pet coke from CVR Refining 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 consumed by our plant was produced and supplied by CVR Refining's Coffeyville, Kansas crude oil refinery.

Secondary Public Offering

On May 28, 2013, Coffeyville Resources, LLC ("CRLLC"), a wholly owned subsidiary of CVR Energy, sold 12,000,000 of our common units to the public at a price of $25.15 per unit in a registered public offering (the "Secondary Offering"). The net proceeds to CRLLC from the Secondary Offering were approximately $292.6 million, after deducting approximately $9.2 million in underwriting discounts and commissions. We did not receive any of the proceeds from the sale of common units by CRLLC. In connection with the Secondary Offering, the Partnership incurred approximately $0.2 million and $0.5 million in offering costs during the three and six months ended June 30, 2013, respectively. Following the closing of the Secondary Offering and as of June 30, 2014, public security holders held approximately 47% of all outstanding common units and CRLLC held approximately 53% of all outstanding common units and the general partner interest.

Major Influences on Results of Operations

Our 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 our competitors, we do not use natural gas as a feedstock and use a minimal amount of natural gas as an energy source in our operations. As a result, volatile swings in natural gas prices have a minimal impact on our results of operations. Instead, CVR Refining's adjacent refinery supplies us with most of the pet coke feedstock we need pursuant to a 20 year pet coke supply agreement entered into in October 2007. The price at which our 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. However, calendar year 2012 and 2013 were two of the lowest priced years for natural gas prices as compared to the last 10 years. This pricing and volatility has a direct impact on our competitors' cost of producing nitrogen fertilizer.

In order to assess our operating performance, we calculate the product pricing at gate to determine our operating margin. Product pricing at gate per ton represents net sales less freight revenue divided by product sales volume in tons, and is shown in order to provide a pricing measure that is comparable across the fertilizer industry.

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 2013, approximately 53% of the corn planted in the United States was grown within a $45 per UAN ton freight train rate of our 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 products leave the plant either in trucks for direct shipment to customers or in railcars for destinations located principally on the Union Pacific Railroad. We do not currently incur significant intermediate transfer, storage, barge freight or pipeline freight charges. We estimate that our plant enjoys a transportation cost advantage of approximately $15 per UAN ton for transportation of UAN over competitors located in the U.S. Gulf Coast. Selling products to customers within economic rail transportation limits of our nitrogen fertilizer plant and keeping transportation costs low are keys to maintaining profitability. Going forward, as a result of the UAN expansion project completion, we expect to upgrade substantially all of our ammonia production into UAN for as long as it makes economic sense to do so. The value of nitrogen fertilizer products is also an important consideration in understanding our results.

The high fixed cost of our direct operating expense structure also directly affects our profitability. Our facility's pet coke gasification process results in 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 averaged approximately 82% of direct operating expenses over the 24 months ended June 30, 2014.

Our largest raw material expense is pet coke, which we purchase from CRRM and third parties. For the three months ended June 30, 2014 and 2013, we spent approximately $3.2 million and $3.4 million, respectively, for pet coke, which equaled an average cost per ton of $27 and $29, respectively. For the six months ended June 30, 2014 and 2013, we spent approximately $6.8 million and $7.4 million, respectively, for pet coke, which equaled an average cost per ton of $28 and $30, respectively.

Consistent, safe, and reliable operations at our nitrogen fertilizer plant are critical to our financial performance and results of operations. Unplanned downtime of the 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. Historically, the nitrogen fertilizer plant has undergone a facility turnaround every two to three years. The turnaround typically lasts 13-15 days each turnaround year and costs approximately $5.0 million per turnaround. The nitrogen fertilizer plant underwent a turnaround in the fourth quarter of 2012, at a cost of approximately $4.8 million. The Partnership is planning to defer the next full facility turnaround to 2015. A less involved facility shutdown was performed during the second quarter of 2014 and included both the installation of a waste heat boiler and the completion of several key tasks in order to upgrade the pressure swing adsorption ("PSA") unit, which is projected to increase hydrogen recovery enough to allow us to produce approximately 7,000 to 9,000 additional tons of ammonia annually.

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.

May 2014 Downtime

During the three months ended June 30, 2014, the gasification, ammonia and UAN units were taken down for between 5 to 7 days each for a planned installation of a waste heat boiler and our completion of several key tasks in order to upgrade to the pressure swing adsorption unit, which is projected to increase hydrogen recovery sufficient to produce additional ammonia. As a result of the shutdown, production was reduced during the three and six months ended June 30, 2014. Additionally, we incurred costs related to the repairs and maintenance and other associated costs of approximately $0.5 million, which were recognized in direct operating expenses (exclusive of depreciation and amortization) in the Condensed Consolidated Statements of Operation during the three months ended June 30, 2014.

Results of Operations

The following tables summarize the financial data and key operating statistics for CVR Partners and our operating subsidiary for the three and six months ended June 30, 2014 and 2013. The following data should be read in conjunction with our condensed consolidated financial statements and the notes thereto included elsewhere in this Report. 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, 2013, is unaudited.

To supplement our actual results calculated in accordance with GAAP for the applicable periods, the Partnership also uses certain non-GAAP financial measures, which are reconciled to our GAAP-based results below. These non-GAAP financial measures should not be considered as an alternative to GAAP results.

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
	(in millions)			
Consolidated Statements of Operations Data:				
Net sales	$ 77.2	$ 88.8	$ 157.5	$ 170.2
Cost of product sold – Affiliates	2.3	2.8	4.5	5.9
Cost of product sold – Third Parties(1)	17.1	12.8	36.6	20.3
	19.4	15.6	41.1	26.2
Direct operating expenses – Affiliates(2)	0.8	1.2	1.6	2.2
Direct operating expenses – Third Parties(1)	26.1	23.2	49.5	44.8
	26.9	24.4	51.1	47.0
Selling, general and administrative expenses - Affiliates(1)(2)	4.0	4.1	7.5	8.3
Selling, general and administrative expenses - Third Parties(1)	1.3	1.4	2.4	2.8
	5.3	5.5	9.9	11.1
Depreciation and amortization(1)	6.8	6.2	13.5	12.0
Operating income	18.8	37.1	41.9	73.9
Interest expense and other financing costs	(1.7)	(1.7)	(3.3)	(2.9)
Interest income	—	—	—	—
Other income (expense), net	—	—	—	—
Total other income (expense)	(1.7)	(1.7)	(3.3)	(2.9)
Income before income tax expense	17.1	35.4	38.6	71.0
Income tax expense	—	—	—	—
Net income	$ 17.1	$ 35.4	$ 38.6	$ 71.0
EBITDA(3)	$ 25.6	$ 43.3	$ 55.4	$ 85.9
Adjusted EBITDA(3)	$ 25.7	$ 44.1	$ 55.7	$ 87.9
Available cash for distribution(4)	$ 24.0	$ 42.6	$ 51.8	$ 87.2
Reconciliation of net sales:				
Sales net at gate	$ 69.2	$ 76.8	$ 136.2	$ 152.5
Freight in revenue	6.7	8.0	13.5	13.7
Hydrogen revenue	0.9	4.0	6.8	4.0
Other	0.4	—	1.0	—
Total net sales	$ 77.2	$ 88.8	$ 157.5	$ 170.2

	As of June 30, 2014	As of December 31, 2013
		(audited)
	(in millions)	
Balance Sheet Data:		
Cash and cash equivalents	$ 78.5	$ 85.1
Working capital	93.9	108.4
Total assets	575.2	593.5
Total debt	125.0	125.0
Total partners' capital	419.9	439.9

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Cash Flow and Other Data:				
Net cash flow provided by (used in):				
Operating activities	$ 24.4	$ 17.1	$ 59.9	$ 74.6
Investing activities	(4.0)	(13.7)	(7.4)	(31.8)
Financing activities	(27.8)	(44.8)	(59.2)	(58.8)
Net increase (decrease) in cash and cash equivalents	$ (7.4)	$ (41.4)	$ (6.7)	$ (16.0)
Capital expenditures for property, plant and equipment	$ 4.1	$ 13.8	$ 7.5	$ 31.9

(1) Amounts are shown exclusive of depreciation and amortization. Depreciation and amortization is primarily comprised of the following components:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Depreciation and amortization excluded from direct operating expenses	$ 6.7	$ 6.1	$ 13.3	$ 11.9
Depreciation and amortization excluded from cost of product sold	0.1	0.1	0.2	0.1
	$ 6.8	$ 6.2	$ 13.5	$ 12.0

(2) Our selling, general and administrative expenses and direct operating expenses for the three and six months ended June 30, 2014 and 2013 include amounts for share-based compensation, including charges related to CVR Energy's share-based compensation expense allocated to us by CVR Energy for financial reporting purposes in accordance with ASC 718. See Note 4 ("Share-Based Compensation") to the consolidated financial statements for further discussion of allocated share-based compensation. The charges for share-based compensation in selling, general and administrative expenses were $0.6 million and $0.5 million for the three months ended June 30, 2014 and 2013, respectively. The charges for share-based compensation in selling, general and administrative expenses were $1.1 million and $1.1 million for the six months ended June 30, 2014 and 2013, respectively. Only nominal charges were included in direct operating expenses.

(3) **EBITDA** is defined as net income before (i) net interest (income) expense, (ii) income tax expense, and (iii) depreciation and amortization expense, which are items management believes affect the comparability of operating results.

Adjusted EBITDA is defined as EBITDA further adjusted for the impact of share-based compensation, non-cash, and, when applicable, major scheduled turnaround expenses and loss on disposition of assets. We present Adjusted EBITDA because it is a key measure used in material covenants in our credit facility and because it is the starting point for calculating our available cash for distribution.

EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be substituted for net income or cash flows from operations. Management believes that EBITDA and Adjusted EBITDA enable investors and analysts to better understand our ability to make distributions to our common unitholders and our compliance with the covenants contained in our credit facility. EBITDA and Adjusted EBITDA presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

A reconciliation of our Net Income to EBITDA and Adjusted EBITDA is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(in millions)			
Net income	$ 17.1	$ 35.4	$ 38.6	$ 71.0
Add:				
Interest expense, net	1.7	1.7	3.3	2.9
Depreciation and amortization	6.8	6.2	13.5	12.0
EBITDA	25.6	43.3	55.4	85.9
Share-based compensation, non-cash	0.1	0.8	0.3	2.0
Adjusted EBITDA	$ 25.7	$ 44.1	$ 55.7	$ 87.9

(4) The board of directors of our general partner has adopted an amended policy to calculate available cash for distribution starting with Adjusted EBITDA. For the three and six months ended June 30, 2014 and 2013, available cash for distribution equaled our Adjusted EBITDA reduced for cash needed for (i) net interest expense (excluding capitalized interest) and debt service and other contractual obligations; (ii) maintenance capital expenditures; and (iii) to the extent applicable, major scheduled turnaround expenses incurred and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate, if any. Available cash for distribution may be increased by the release of previously established cash reserves, if any, at the discretion of the board of directors of our general partner.

Available cash for distribution is not a recognized term under GAAP. Available cash for distribution should not be considered in isolation or as an alternative to net income or operating income, or as any other measure of financial performance or operating performance. In addition, available cash for distribution is not presented as, and should not be considered an alternative, to cash flows from operations or as a measure of liquidity. Available cash for distribution as reported by the Partnership may not be comparable to similarly titled measures of other entities; thereby limiting its usefulness as a comparative measure.

Below is a table reconciling Adjusted EBITDA to available cash for distribution:

	Three Months Ended June 30, 2014	Six Months Ended June 30, 2014
	(in millions, except units and per unit data)	
Reconciliation of Adjusted EBITDA to Available cash for distribution		
Adjusted EBITDA	$ 25.7	$ 55.7
Adjustments:		
Less:		
Net cash interest expense (excluding capitalized interest) and debt service	(1.4)	(2.9)
Maintenance capital expenditures	(1.0)	(2.0)
Plus:		
Distribution of previously established cash reserves, net	0.7	1.0
Available cash for distribution	$ 24.0	$ 51.8
Available cash for distribution, per common unit	$ 0.33	$ 0.71
Common units outstanding (in thousands)	73,114	73,114

The following tables show selected information about key operating statistics and market indicators for our business:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Key Operating Statistics				
Production (thousand tons):				
Ammonia (gross produced)(1)	92.2	91.3	183.3	202.7
Ammonia (net available for sale)(1)(2)	3.2	2.2	12.1	32.9
UAN	223.4	225.2	480.6	421.3
Pet coke consumed (thousand tons)	117.3	114.4	242.1	244.2
Pet coke (cost per ton)(3)	$ 27	$ 29	$ 28	$ 30
Sales (thousand tons):				
Ammonia	2.9	7.1	8.3	34.6
UAN	239.2	217.3	493.9	411.4
Product pricing at gate (dollars per ton)(4):				
Ammonia	$ 521	$ 688	$ 493	$ 668
UAN	283	331	$ 267	$ 314
On-stream factors(5):				
Gasification	94.2%	91.6%	96.5%	95.5%
Ammonia	88.1%	89.1%	90.1%	93.9%
UAN	85.9%	86.5%	91.4%	89.7%

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Market Indicators				
Natural gas NYMEX (dollars per MMBtu)	$ 4.58	$ 4.02	$ 4.65	$ 3.76
Ammonia — Southern Plains (dollars per ton)	$ 561	$ 653	$ 501	$ 674
UAN — Corn belt (dollars per ton)	$ 333	$ 381	$ 332	$ 380

(1) Gross tons produced for ammonia represent total ammonia produced, including ammonia that was upgraded into UAN. As a result of the completion of the UAN expansion project in February 2013, we expect to upgrade substantially all of the ammonia we produce into UAN. Net tons available for sale represent ammonia available for sale that was not upgraded into UAN.

(2) In addition to the produced ammonia, the Partnership acquired approximately 3,000 and 4,000 tons of ammonia during the three months ended June 30, 2014 and 2013, respectively. The Partnership acquired approximately 26,000 and 4,000 tons of ammonia during the six months ended June 30, 2014 and 2013, respectively.

(3) Our pet coke cost per ton purchased from CVR Refining averaged $24 and $27 for the three months ended June 30, 2014 and 2013, respectively. Third-party pet coke prices averaged $41 and $40 for the three months ended June 30, 2014 and 2013, respectively. For the six months ended June 30, 2014 and 2013, our pet coke cost per ton purchased from CVR Refining averaged $24 and $27, respectively. For the six months ended June 30, 2014 and 2013, third-party pet coke prices averaged $40 and $40, respectively.

(4) Product pricing at gate per ton represents net sales less freight revenue divided by product sales volume in tons, and 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 and is included as a measure of operating efficiency.

Excluding the impact of the shutdown for installation of the waste heat boiler, pressure swing adsorption unit upgrade and the Linde air separation unit maintenance, the on-stream factors for the three months ended June 30, 2014 would have been 100.0% for gasifier, 94.9% for ammonia and 92.9% for UAN. Excluding the impact of the unplanned Linde air separation unit outages and the unplanned downtime associated with weather issues, the on-stream factors for the three months ended June 30, 2013 would have been 99.6% for gasifier, 99.1% for ammonia and 97.1% for UAN.

Excluding the impact of the shutdown for installation of the waste heat boiler, pressure swing adsorption unit upgrade and the Linde air separation unit maintenance, the on-stream factors for the six months ended June 30, 2014 would have been 99.4% for gasifier, 93.5% for ammonia and 95.0% for UAN. Excluding the impact of the unplanned Linde air separation unit outages, the UAN expansion coming on-line and the unplanned downtime associated with weather issues, the on-stream factors for the six months ended June 30, 2013 would have been 99.6% for gasifier, 98.9% for ammonia and 97.7% for UAN.

Three Months Ended June 30, 2014 Compared to the Three Months Ended June 30, 2013

Net Sales. Net sales were $77.2 million for the three months ended June 30, 2014 compared to $88.8 million for the three months ended June 30, 2013. The decrease of $11.6 million was primarily the result of lower UAN sales prices ($13.5 million), lower ammonia sales volumes ($3.0 million) and lower hydrogen sales volumes ($3.0 million), partially offset by higher UAN sales volumes ($8.1 million). For the three months ended June 30, 2014, UAN and ammonia made up $74.4 million and $1.5 million of our net sales, respectively. This compared to UAN and ammonia net sales of $79.8 million and $5.0 million, respectively, for the three months ended June 30, 2013. The following table demonstrates the impact of sales volumes and pricing for UAN, ammonia and hydrogen for the three months ended June 30, 2014 and 2013:

	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013			Total Variance			
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	Price Variance	Volume Variance
UAN	239,216	$ 311	$ 74.4	217,287	$ 367	$ 79.8	21,929	$ (5.4)	$ (13.5)	$ 8.1
Ammonia	2,854	$ 542	$ 1.5	7,068	$ 710	$ 5.0	(4,214)	$ (3.5)	$ (0.5)	$ (3.0)
Hydrogen	92,967	$ 10	$ 0.9	375,102	$ 11	$ 4.0	(282,135)	$ (3.1)	$ (0.1)	$ (3.0)

(1) UAN and ammonia sales volumes are in tons. Hydrogen sales volumes are in MSCF.

(2) Includes freight charges

(3) Sales dollars in millions

The increase in UAN sales volume for the three months ended June 30, 2014 compared to the three months ended June 30, 2013 was primarily attributable to product availability resulting from the UAN expansion, which came on line in February 2013. On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units were 94.2%, 88.1% and 85.9%, respectively, for the three months ended June 30, 2014.

Product pricing at gate per ton represents net sales less freight revenue divided by product sales volume in tons. We believe product pricing at gate is meaningful because we sell products both at our plant gate (sold plant) and delivered to the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month-to-month or quarter-to-quarter. The product pricing at gate provides a measure that is consistently comparable period to period. Average product prices at gate for the three months ended June 30, 2014 compared to the three months ended June 30, 2013 decreased 14.5% for UAN and decreased 24.3% for ammonia, respectively.

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 (exclusive of depreciation and amortization) for the three months ended June 30, 2014 was $19.4 million, compared to $15.6 million for the three months ended June 30, 2013. The $3.8 million increase resulted from $4.3 million in higher costs from transactions with third parties, partially offset by lower costs from transactions with affiliates of $0.5 million. The higher third-party costs incurred during the three months ended June 30, 2014 were primarily the result of increased railcar repairs and inspections.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses (exclusive of depreciation and amortization) include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, property taxes, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the three months ended June 30, 2014 were $26.9 million as compared to $24.4 million for the three months ended June 30, 2013. The $2.5 million increase resulted primarily from higher utilities ($1.2 million), refractory brick amortization ($0.9 million), outside services ($0.4 million), personnel costs ($0.1 million), repairs and maintenance ($0.1 million), and reimbursements of our general partner ($0.1 million), partially offset by lower insurance ($0.3 million), and property taxes ($0.2 million). The increased utility costs were largely due to higher electrical volumes associated with the higher gasification on-stream rate for the three months ended June 30, 2014.

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Selling, general and administrative expenses include the direct selling, general and administrative expenses of our business as well as certain expenses incurred by our affiliates, CVR Energy and Coffeyville Resources, on our behalf and billed or allocated to us in accordance with the applicable agreements. We also reimburse our general partner in accordance with the partnership agreement for expenses it incurs on our behalf. Reimbursed expenses to our general partner are included as selling, general & administrative expenses from affiliates. Certain of our expenses are subject to the services agreement with CVR Energy and our general partner. Selling, general and administrative expenses (exclusive of depreciation and amortization) were $5.3 million for the three months ended June 30, 2014, as compared to $5.5 million for the three months ended June 30, 2013. The decrease of $0.2 million for the three months ended June 30, 2014 as compared to the three months ended June 30, 2013 resulted from a decrease in costs of transactions with affiliates ($0.1 million) and a decrease in costs of transactions with third parties ($0.1 million). The overall variance was primarily the result of a decrease in reimbursements of our general partner ($0.4 million), and a decrease in outside services ($0.2 million), partially offset by increases in expenses related to the services agreement ($0.3 million).

Operating Income. Operating income was $18.8 million for the three months ended June 30, 2014, as compared to operating income of $37.1 million for the three months ended June 30, 2013. The decrease of $18.3 million for the three months ended June 30, 2014 as compared to the three months ended June 30, 2013 was the result of the decrease in net sales ($11.6 million), the increases in cost of product sold ($3.8 million), direct operating expenses ($2.5 million), and depreciation and amortization ($0.6 million), partially offset by a decrease in selling, general, and administrative expense ($0.2 million).

Net Income. For the three months ended June 30, 2014, net income was $17.1 million as compared to $35.4 million of net income for the three months ended June 30, 2013, a decrease of $18.3 million. The decrease in net income was primarily due to the factors noted above.

Six Months Ended June 30, 2014 Compared to the Six Months Ended June 30, 2013

Net Sales. Net sales were $157.5 million for the six months ended June 30, 2014 compared to $170.2 million for the six months ended June 30, 2013. The decrease of $12.7 million was primarily the result of lower UAN sales prices ($25.5 million), lower ammonia sales volumes ($18.1 million), lower ammonia sales prices ($1.4 million), and lower hydrogen sales prices ($0.3 million), partially offset by higher UAN sales volumes ($28.6 million) and higher hydrogen sales volumes ($3.1 million). For the six months ended June 30, 2014, UAN and ammonia made up $145.5 million and $4.2 million of our net sales, respectively. This compared to UAN and ammonia net sales of $142.4 million and $23.7 million, respectively, for the six months ended June 30, 2013. The following table demonstrates the impact of sales volumes and pricing for UAN, ammonia and hydrogen for the six months ended June 30, 2014 and 2013:

	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013			Total Variance			
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	Price Variance	Volume Variance
UAN	493,886	$ 295	$ 145.5	411,428	$ 346	$ 142.4	82,458	$ 3.1	$ (25.5)	$ 28.6
Ammonia	8,301	$ 511	$ 4.2	34,640	$ 685	$ 23.7	(26,339)	$ (19.5)	$ (1.4)	$ (18.1)
Hydrogen	671,431	$ 10	$ 6.8	377,815	$ 11	$ 4.0	293,616	$ 2.8	$ (0.3)	$ 3.1

(1) UAN and ammonia sales volumes are in tons. Hydrogen sales volumes are in MSCF.

(2) Includes freight charges

(3) Sales dollars in millions

The increase in UAN sales volume for the six months ended June 30, 2014 compared to the six months ended June 30, 2013 was primarily attributable to the UAN expansion being available for the full period in 2014. On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units were 96.5%, 90.1% and 91.4%, respectively, for the six months ended June 30, 2014.

Product pricing at gate per ton represents net sales less freight revenue divided by product sales volume in tons. We believe product pricing at gate is meaningful because we sell products both at our plant gate (sold plant) and delivered to the customer's designated delivery site (sold delivered) and the percentage of sold plant versus sold delivered can change month-to-month or quarter-to-quarter. The product price at gate provides a measure that is consistently comparable period to period. Average product prices at gate for the six months ended June 30, 2014 compared to the six months ended June 30, 2013 decreased 15.0% for UAN and decreased 26.2% for ammonia, respectively.

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 (exclusive of depreciation and amortization) for the six months ended June 30, 2014 was $41.1 million, compared to $26.2 million for the six months ended June 30, 2013. The $14.9 million increase resulted from $16.3 million in higher costs from transactions with third parties, partially offset by lower costs from transactions with affiliates of $1.4 million. The higher third-party costs incurred during the six months ended June 30, 2014 were primarily the result of ammonia purchases (approximately 26,000 tons for the six months ended June 30, 2014 and 4,000 tons in the six months ended June 30, 2013) and increased railcar repairs and inspections.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses (exclusive of depreciation and amortization) include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, property taxes, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the six months ended June 30, 2014 were $51.1 million as compared to $47.0 million for the six months ended June 30, 2013. The $4.1 million increase resulted primarily from higher utilities ($2.8 million), refractory brick amortization ($1.4 million), catalyst amortization ($0.3 million), outside services ($0.3 million), repairs and maintenance ($0.2 million), reimbursements of our general partner ($0.2 million), partially offset by lower insurance ($0.7 million), property taxes ($0.5 million), and personnel costs ($0.3 million). The increased utility costs were largely due to higher electrical volumes associated with the UAN expansion, which came on-line in February 2013. The lower labor costs are mostly the result of the higher labor incurred during the UAN expansion project.

Selling, General and Administrative Expenses (Exclusive of Depreciation and Amortization). Selling, general and administrative expenses include the direct selling, general and administrative expenses of our business as well as certain expenses incurred by our affiliates, CVR Energy and Coffeyville Resources, on our behalf and billed or allocated to us in accordance with the applicable agreements. We also reimburse our general partner in accordance with the partnership agreement for expenses it incurs on our behalf. Reimbursed expenses to our general partner are included as selling, general & administrative expenses from affiliates. Certain of our expenses are subject to the services agreement with CVR Energy and our general partner. Selling, general and administrative expenses (exclusive of depreciation and amortization) were $9.9 million for the six months ended June 30, 2014, as compared to $11.1 million for the six months ended June 30, 2013. The decrease of $1.2 million for the six months ended June 30, 2014 as compared to the six months ended June 30, 2013 resulted from a decrease in costs of transactions with affiliates ($0.8 million) and a decrease in costs of transactions with third parties ($0.4 million). The overall variance was primarily the result of a decrease in reimbursements of our general partner ($1.1 million), a decrease in outside services ($0.7 million) and a decrease in share-based compensation ($0.5 million), partially offset by increases in expenses related to the services agreement ($0.7 million) and personnel costs ($0.2 million).

Operating Income. Operating income was $41.9 million for the six months ended June 30, 2014, as compared to operating income of $73.9 million for the six months ended June 30, 2013. The decrease of $32.0 million for the six months ended June 30, 2014 as compared to the six months ended June 30, 2013 was the result of an increase in cost of product sold ($14.9 million), a decrease in sales ($12.7 million), an increase to direct operating expenses ($4.1 million), and an increase in depreciation and amortization ($1.5 million), partially offset by a decrease in selling, general, and administrative expense ($1.2 million).

Interest Expense and Other Financing Costs. Interest expense for the six months ended June 30, 2014 was approximately $3.3 million as compared to $2.9 million for the six months ended June 30, 2013. Interest expense for the six months ended June 30, 2014 was attributable to bank interest expense of $2.4 million on the term loan facility, $0.5 million of interest expense related to the interest rate swap and $0.5 million of deferred financing amortization, partially offset by capitalized interest. The increase in expense as compared to the six months ended June 30, 2013 was primarily due to a decrease in capitalized interest associated with the UAN expansion being completed in the first quarter of 2013.

Net Income. For the six months ended June 30, 2014, net income was $38.6 million as compared to $71.0 million of net income for the six months ended June 30, 2013, a decrease of $32.4 million. The decrease in net income was primarily due to the factors noted above.

Liquidity and Capital Resources

Our principal source of liquidity has historically been cash from operations, which includes cash advances from customers resulting from forward sales. Our principal uses of cash are funding our operations, distributions to common unitholders, capital expenditures and funding our debt service obligations. We believe that our cash from operations, remaining proceeds from the Initial Public Offering, and available borrowings under our revolving credit facility will be adequate to satisfy anticipated commitments and planned capital expenditures for 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.

Depending on the needs of our business, contractual limitations and market conditions, we may from time to time seek to issue equity securities, incur additional debt, modify the terms of our existing debt, issue debt securities, or otherwise refinance our existing debt. There can be no assurance that we will seek to do any of the foregoing or that we will be able to do any of the foregoing on terms acceptable to us or at all.

Cash Balance and Other Liquidity

As of June 30, 2014, we had cash and cash equivalents of $78.5 million, including $0.4 million of customer advances. Working capital at June 30, 2014 was $93.9 million, consisting of $123.5 million in current assets and approximately $29.6 million in current liabilities. Working capital at December 31, 2013 was $108.4 million, consisting of $135.8 million in current assets and $27.4 million in current liabilities. As of July 28, 2014, we had cash and cash equivalents of $86.2 million.

Credit Facility

On April 13, 2011 in conjunction with the completion of our Initial Public Offering, we entered into a 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 credit facility is used to finance on-going working capital, capital projects, letter of credit issuances and general needs of the Partnership.

Borrowings under the credit facility bear interest based on a pricing grid determined by a trailing four quarter leverage ratio. Pricing for borrowings under the credit facility is currently based on the Eurodollar rate plus a margin of 3.50%, or, for base rate loans, the prime rate plus 2.50%. Under its terms, the lenders under the credit facility were granted a first priority security interest (subject to certain customary exceptions) in substantially all of the assets of CVR Partners and CRNF and all of the capital stock of CRNF and each domestic subsidiary owned by CVR Partners or CRNF. CRNF is the borrower under the credit facility. All obligations under the credit facility are unconditionally guaranteed by CVR Partners and substantially all of our future, direct and indirect, domestic subsidiaries.

As of June 30, 2014 and December 31, 2013, no amounts were drawn under the $25.0 million revolving credit facility.

Mandatory Prepayments

We are required to prepay outstanding amounts under our term facility in an amount equal to the net proceeds from the sale of assets or from insurance or condemnation awards related to collateral, in each case subject to certain reinvestment rights. In addition, we are required to prepay outstanding amounts under our term facility with the net proceeds from certain issuances of debt (other than debt permitted to be incurred under our credit facility).

Voluntary Prepayments/Commitment Reductions

At any time, we may voluntarily reduce the unutilized portion of the revolving commitment amount, or prepay, in whole or in part, outstanding amounts under our credit facility without premium or penalty other than customary "breakage" costs with respect to Eurodollar rate loans.

Amortization and Final Maturity

There is no scheduled amortization under our credit facility. All outstanding amounts under our credit facility are due and payable in full in April 2016.

Restrictive Covenants and Other Matters

Our credit facility requires us to maintain (i) a minimum interest coverage ratio (ratio of Consolidated Adjusted EBITDA to interest) as of the end of any fiscal quarter of 3.0 to 1.0 and (ii) a maximum leverage ratio (ratio of debt to Consolidated Adjusted EBITDA) as of the end of any fiscal quarter of 3.0 to 1.0, in both cases calculated on a trailing four quarter basis. In addition, the credit facility includes negative covenants that, subject to significant exceptions, limit our ability to, among other things:

- incur, assume or permit to exist additional indebtedness, guarantees and other contingent obligations;
- incur liens;
- make negative pledges;
- pay dividends or make other distributions;
- make payments to our subsidiary;
- make certain loans and investments;
- consolidate, merge or sell all or substantially all of our assets;

- enter into sale-leaseback transactions; and
- enter into transactions with affiliates.

The credit facility provides that we can make distributions to holders of our common units, but only if we are in compliance with our 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 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 credit facility to be in force and effect, and change of control. An event of default will also be triggered if CVR Energy, CVR Refining or any of their subsidiaries (other than us and CRNF) terminates or violates any of its covenants in any of the intercompany agreements between us and CVR Energy, CVR Refining and their subsidiaries (other than us and CRNF) and such action has resulted or could reasonably be expected to result in a material adverse effect on us. If an event of default occurs, the administrative agent under the credit facility would be entitled to take various actions, including the acceleration of amounts due under the credit facility and all actions permitted to be taken by a secured creditor.

As of June 30, 2014, we were in compliance with the covenants under the credit facility.

Interest Rate Swaps

Our profitability and cash flows are affected by changes in interest rates on our credit facility borrowings, specifically LIBOR and prime rates. The primary purpose of our interest rate risk management activities is to hedge our exposure to changes in interest rates by using interest rate derivatives to convert some or all of the interest rates we pay on our borrowings from a floating rate to a fixed interest rate.

On June 30 and July 1, 2011, CRNF entered into two Interest Rate Swap agreements. We have determined that the Interest Rate Swaps qualify for hedge accounting treatment. The impact recorded for the three months ended June 30, 2014 and 2013 was $0.3 million and $0.3 million, respectively, in interest expense. For the three months ended June 30, 2014 and 2013, the Partnership recorded a loss of $0.1 million and a gain of $0.2 million, respectively, in the fair market value on the interest rate swaps. The impact recorded for both the six months ended June 30, 2014 and 2013 was $0.5 million in interest expense. For the six months ended June 30, 2014 and 2013, the Partnership recorded a loss of $0.2 million and a gain of $0.2 million, respectively, in the fair market value on the interest rate swaps. The combined fair market value of the interest rate swaps recorded in current and non-current liabilities at June 30, 2014 is $1.6 million. This amount is unrealized and, therefore, included in accumulated other comprehensive income (loss).

Capital Spending

Our total capital expenditures for the six months ended June 30, 2014 were approximately $7.5 million. 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 also treat maintenance capital spending as a reduction of cash available for distribution to unitholders. Growth capital projects generally involve an expansion of existing capacity, improvement in product yields, and/or a reduction in direct operating expenses. Of the $7.5 million spent for the six months ended June 30, 2014, approximately $2.0 million was related to maintenance capital projects and the remainder was related to growth capital projects. Major scheduled turnaround expenses are expensed when incurred.

Our growth strategy includes expanding production of UAN and acquiring additional infrastructure and production assets. In 2013 we completed a significant two-year plant expansion designed to increase our UAN production capacity by 400,000 tons, or approximately 50% per year. Total capital expenditures associated with the UAN expansion were approximately $130.0 million, excluding capitalized interest, of which approximately $4.9 million and $19.0 million was spent during the three and six months ended June 30, 2013. The UAN expansion construction was completed in February 2013 and our expanded facility was running at full operating rates prior to the end of the first quarter of 2013.

Our future capital spending will be determined by the board of directors of our general partner. Future capital spending estimates may change as a result of unforeseen circumstances and a change in our plans and may be revised from time to time or amounts may not be spent in the manner discussed below. Our maintenance capital expenditures are expected to be approximately $9.0 million to $11.0 million for the year ending December 31, 2014. Our growth capital expenditures, which are inclusive of the upgrade to the pressure swing adsorption (“PSA”) unit discussed in the following paragraph and the railcar purchases as disclosed in both Note 13 ("Related Party Transactions") and Note 12 ("Commitments and Contingencies") to Part I, Item I of this Report, are projected to be approximately $15.0 million for the year ending December 31, 2014.

During the second quarter of 2014, the gasification, ammonia and UAN units were taken down for between 5 to 7 days each to both install a waste heat boiler and upgrade the PSA unit. The upgraded PSA unit is projected to increase hydrogen recovery enough to allow us to produce approximately 7,000 to 9,000 additional tons of ammonia annually, at a total cost of approximately $4.9 million.

Planned capital expenditures for 2014 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 nitrogen fertilizer plant. Capital spending for our business has been and will be determined by our general partner.

Distributions to Unitholders

The board of directors of the Partnership's general partner has adopted a policy for the Partnership to distribute all available cash generated on a quarterly basis. Our policy is disclosed in Note 7 ("Partners’ Capital and Partnership Distributions") to Part I, Item I of this report. The following is a summary of cash distributions paid to the Partnership’s unitholders during 2014 for the respective quarters to which the distributions relate:

	December 31, 2013	March 31, 2014	Total Cash Distributions Paid in 2014
	($ in millions, expect per common unit amounts)		
Amount paid to CRLLC	$ 16.7	$ 14.8	$ 31.5
Amounts paid to public unitholders	14.7	13.0	27.7
Total amount paid	$ 31.4	$ 27.8	$ 59.2
Per common unit	$ 0.43	$ 0.38	$ 0.81
Common units outstanding (in thousands)	73,113	73,113	

On July 30, 2014, the Board of Directors of the general partner of the Partnership declared a cash distribution for the second quarter of 2014 in the amount of $0.33 per common unit, or approximately $24.1 million in aggregate. The cash distribution will be paid on August 18, 2014 to the Partnership's unitholders of record at the close of business on August 11, 2014.

Cash Flows

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

	Six Months Ended June 30,	
	2014	2013
	(in millions)	
Net cash provided by (used in):		
Operating activities	$ 59.9	$ 74.6
Investing activities	(7.4)	(31.8)
Financing activities	(59.2)	(58.8)
Net increase (decrease) in cash and cash equivalents	$ (6.7)	$ (16.0)

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 provided by operating activities for the six months ended June 30, 2014 were approximately $59.9 million. The positive cash flow from operating activities generated over this period was attributable to net income of $38.6 million, which was primarily driven by strong UAN product volumes, partially offset by higher costs associated with purchases of third party ammonia, increased railcar repairs and inspections and higher utilities partially associated with the UAN expansion. With respect to other working capital for the six months ended June 30, 2014, the primary sources of cash were due to changes in other working capital of $6.8 million, primarily due to a decrease to prepaid expenses and other current assets of $3.9 million and an increase to accrued expenses and other current liabilities of $3.2 million. For the six months ended June 30, 2014, fluctuations in trade working capital decreased our operating cash flow by $1.2 million due to a decrease in accounts payable of $3.0 million, a increase in accounts receivable of $0.4 million, partially offset by a decrease in inventory of $2.2 million.

Net cash flows provided by operating activities for the six months ended June 30, 2013 were $74.6 million. The positive cash flow from operating activities generated over this period were primarily attributable to net income of $71.0 million, partially offset by unfavorable impacts to other working capital of $8.3 million and trade working capital of $2.4 million. Net Income was primarily driven by strong UAN product volumes and favorable fertilizer prices driving high profit margins, which was partially offset by a decline in production volumes that resulted from unplanned Linde air separation unit outages and the unscheduled downtime associated with weather issues. For the six months ended June 30, 2013, trade working capital decreased our operating cash flow by $2.4 million due to an increase in inventory of $3.9 million and a decrease in accounts payable of $0.4 million, partially offset by a decrease in accounts receivable of $1.9 million. Fluctuations in other working capital resulted in a decrease to operating cash flows of $8.3 million, primarily due to an increase to prepaid expenses of $2.6 million and a decrease to accrued expenses and other current liabilities of $6.2 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2014 was $7.4 million compared to $31.8 million for the six months ended June 30, 2013. For the six months ended June 30, 2014 and 2013, net cash used in investing activities is primarily the result of capital expenditures. The decrease in capital expenditures during the six months ended June 30, 2014 compared against 2013 is primarily the result of the UAN expansion project expenditures in 2013.

Cash Flows Used in Financing Activities

Net cash flows used in financing activities for the six months ended June 30, 2014 were $59.2 million, compared to net cash flows used in financing activities for the six months ended June 30, 2013 of $58.8 million. The net cash used in financing activities for the six months ended June 30, 2014 and 2013 was primarily attributable to quarterly cash distributions.

Contractual Obligations

As of June 30, 2014, our contractual obligations included long-term debt, operating leases, unconditional purchase obligations, other specified capital and commercial commitments and interest payments. Except for railcar purchases as disclosed in both Note 13 ("Related Party Transactions") and Note 12 ("Commitments and Contingencies") to Part I, Item I of this Report, there were no material changes outside the ordinary course of our business with respect to our contractual obligations during the six months ended June 30, 2014, from those disclosed in our 2013 Form 10-K.

Off-Balance Sheet Arrangements

We do not have any "off-balance sheet arrangements" as such term is defined within the rules and regulations of the SEC.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *"Revenue from Contracts with Customers"* ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard is effective for interim and annual periods beginning after December 15, 2016 and permits the use of either the retrospective or cumulative effect transition method. Early adoption is not permitted. The Partnership has not yet selected a transition method and is currently evaluating the standard and the impact on our consolidated financial statements and footnote disclosures.

Critical Accounting Policies

Our critical accounting policies are disclosed in the “Critical Accounting Policies” section of our 2013 Form 10-K. No modifications have been made to our critical accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Partnership has exposure to interest rate risk on 50% of its $125.0 million floating rate term debt. A 1% increase over the Eurodollar floor spread of 3.5%, as specified in the credit facility, would increase interest cost to the Partnership by approximately $625,000 on an annualized basis, thus decreasing net income by the same amount.

Our credit facility is disclosed in Note 10 ("Credit Facility") and our interest rate swap agreements are disclosed in Note 11 ("Interest Rate Swap Agreements") to Part I, Item I of this Report.

Commodity Price, Foreign Currency Exchange and Non-Operating Risks

We do not currently use derivative financial instruments to manage risks related to changes in prices of commodities (e.g., UAN, ammonia or pet coke). Given that our business is currently based entirely in the United States, we are not directly exposed to foreign currency exchange rate risk. We do not engage in activities that expose us to speculative or non-operating risks, including derivative trading activities. In the opinion of our management, there is no derivative financial instrument that correlates effectively with, and has a trading volume sufficient to hedge, our firm commitments and forecasted commodity purchase or sales transactions. Our management will continue to monitor whether financial derivatives become available which could effectively hedge identified risks and management may in the future elect to use derivative financial instruments consistent with our overall business objectives to avoid unnecessary risk and to limit, to the extent practical, risks associated with our operating activities.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

As of June 30, 2014, we have evaluated, under the direction of our Executive Chairman, Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon and as of the date of that evaluation, our Executive Chairman, Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Partnership's management, including our Executive Chairman, Chief Executive Officer and 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 material change in our internal control over financial reporting required by Rule 13a-15 of the Exchange Act that occurred during the fiscal quarter ended June 30, 2014 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 12 ("Commitments and Contingencies") to Part I, Item I of this Report, which is incorporated by reference into this Part II, Item 1, for a description of certain litigation, legal and administrative proceedings and environmental matters.

Item 1A. *Risk Factors*

There have been no material changes from the risk factors previously disclosed in the "Risk Factors" section of our 2013 Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

The table below sets forth information regarding repurchases of our common units during the three months ended June 30, 2014. These represent common units that a director elected to surrender to the Partnership to satisfy certain minimum tax withholding and other tax obligations upon the vesting of units. The Partnership does not consider this to be a unit buyback program.

Period	Total Number of Units Purchased	Average Price Paid per Unit	Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Units that May Yet Be Purchased Under the Plans or Programs
April 1, 2014 to April 30, 2014	—	—	—	—
May 1, 2014 to May 31, 2014	228	$ 21.05	—	—
June 1, 2014 to June 30, 2014	—	—	—	—
Total	228	$ 21.05	—	—

Item 6. ***Exhibits***

Exhibit Number	Exhibit Title
10.1*	Employment Agreement, dated as of April 16, 2014, by and between CVR GP, LLC and Mark A. Pytosh.
10.2*	Phantom Unit Agreement, dated as of May 5, 2014, by and between CVR Partners, LP and Mark A. Pytosh.
10.3*	Amendment to GP Services Agreement, dated as of June 27, 2014 by and among CVR Partners, LP, CVR GP, LLC and CVR Energy, Inc.
31.1*	Rule 13a-14(a) or 15d-14(a) Certification of Executive Chairman.
31.2*	Rule 13a-14(a) or 15d-14(a) Certification of Chief Executive Officer.
31.3*	Rule 13a-14(a) or 15d-14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certification of Executive Chairman.
32.2*	Section 1350 Certification of Chief Executive Officer.
32.3*	Section 1350 Certification of Chief Financial Officer.
101*	The following financial information for CVR Partners, LP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, filed with the SEC on July 31, 2014, formatted in XBRL ("Extensible Business Reporting Language") includes: (1) Condensed Consolidated Balance Sheets (unaudited), (2) Condensed Consolidated Statements of Operations (unaudited), (3) Condensed Consolidated Statements of Comprehensive Income (Loss) (unaudited), (4) Condensed Consolidated Statements of Cash Flows (unaudited), (5) Condensed Consolidated Statement of Partners' Capital (unaudited) and (6) the Notes to Condensed Consolidated Financial Statements (unaudited), tagged in detail.

* Filed herewith.

PLEASE NOTE: Pursuant to the rules and regulations of the SEC, we may file or incorporate by reference agreements referenced as exhibits to the reports that we file with or furnish to the SEC. The agreements are filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the Partnership 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 Partnership'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 Partnership 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 Partners, LP

By: CVR GP, LLC, its general partner

July 31, 2014	By:	/s/ JOHN J. LIPINSKI
		Executive Chairman
		(Principal Executive Officer)
July 31, 2014	By:	/s/ MARK A. PYTOSH
		Chief Executive Officer and President
		(Principal Executive Officer)
July 31, 2014	By:	/s/ SUSAN M. BALL
		Chief Financial Officer and Treasurer
		(Principal Financial and Accounting Officer)

Exhibit 10.1

Execution Copy

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of April 16, 2014 (the "Employment Agreement"), by and between **CVR GP, LLC**, a Delaware limited liability company (the "Company"), and Mark A. Pytosh (the "Executive"). The Company serves as the general partner of CVR Partners, LP (the "Partnership"), and desires to employ Executive on the terms described in this Employment Agreement.

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 May 5, 2014 (the "Commencement Date") and ending on the earlier of (i) December 31, 2016 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 Executive Officer and President 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 specified and directed by the board of directors of the Company (the "Board"), the Executive Chairman of the Board or any of their respective designees. In such positions, the Executive shall perform such duties, functions and responsibilities during the Term, as are specified from time to time by, and shall serve in such capacities at the pleasure of, the Company and the Board, subject to the terms hereof.

1.3. Exclusivity. During the Term, the Executive shall devote all of his professional time and attention, exclusively on a full time basis, to the business and affairs of the Partnership, the Company and their respective Affiliates, shall, to the best of his abilities, faithfully serve the Partnership, the Company and their respective 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 to advance, promote and serve the interests of the Partnership, the Company and their respective Affiliates, shall comply with all of the policies of the Partnership, the Company and their respective Affiliates (including, without limitation, such policies with respect to legal compliance, conflicts of interest, confidentiality and business ethics, as are from time to time in effect), and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit other than the Executive's participation on the University of Illinois Foundation Board, the Chemical Sciences Leadership Counsel of the University of Illinois, and such other board positions or charitable activities as may be approved in advance in writing from time to time by the Board. During the Term, the Executive shall not, without the prior written consent of the Board, directly or indirectly render services to, or otherwise act in a business or professional capacity on behalf of or for the benefit of, any other Person (as defined below) as an employee, advisor, member of a board or similar governing body, independent contractor, agent, consultant, representative or otherwise, whether or not compensated. 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.

1.4. Relocation.

(a) The Executive agrees that, before August 1, 2014 Executive will establish and will thereafter maintain the Executive's full-time permanent residency within 50 miles of the Company's offices located in Sugarland, Texas (the "Company Office") (the "Relocation"). In consideration of such agreement, the Company will pay to the Executive $85,000 (subject to applicable withholding) within five (5) business days of the Commencement Date (such amount, without regard to any withholding, the "First Relocation Payment"). The Relocation shall be considered complete on the date on which the Executive either (i) executes a lease of not less than 365 days on, or (ii) completes the purchase of, a residential home, apartment or condominium within 50 miles of the Company Office and occupies it as the Executive's full-time permanent residence (the "Completion Date"). If the Completion Date occurs prior to August 1, 2014 and the Executive is employed by the Company on the Completion Date, the Executive shall be entitled to receive a payment of $40,000 (subject to applicable withholding) paid in a single lump sum cash payment within 5 business days of the Completion Date (such amount, without regard to any withholding, the "Second Relocation Payment," and together with the First Relocation Payment, the "Relocation Payments"). Prior to the Relocation, the Executive shall, at his sole cost and expense, make such living arrangements as are necessary for him to work at the Company Office on a full-time basis beginning on the Commencement Date. Notwithstanding anything in this Employment Agreement or the Company's policies to the contrary, the Company shall not be responsible or obligated to pay for any expenses (x) for or in connection with the Relocation; or (y) for the Executive to commute between his current home and the Company Office or any costs regarding temporary accommodations or other expenses incurred by the Executive as a result of the Relocation not having yet occurred.

(b) The Executive agrees that if, at any time prior to the first anniversary of the Commencement Date, the Executive's employment with the Company is terminated by the Executive without Good Reason or by the Company for Cause, then the Executive will repay to the Company a pro-rata portion of the Relocation Payments that have been paid to the Executive as of the date of such termination. Such pro-rata portion shall be equal to an amount that is the product of such Relocation Payments, multiplied by a fraction, the numerator of which is the number of days between the date of such termination and the date that is the first anniversary of the Commencement Date, and the denominator of which is 365.

(c) The repayment of any such pro-rata portion under subclause 1.4(b) above shall be paid to the Company by the Executive within 90 days after the last day of the Executive's employment with the Company. To the extent not prohibited by applicable law, the Company may withhold and set off any amount due from the Executive under this Employment Agreement from any amount(s) otherwise payable to the Executive as of the last day of employment with the Company, provided that any such amounts are exempt from, or set off in a manner intended to comply, with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

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 $475,000 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 (but not downward) by the Compensation Committee of the Board in its sole and absolute 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") with a target award equal to 125% of the Executive's Base Salary. The Annual Bonus will be subject to all of the terms and conditions of the applicable bonus plan. For fiscal year 2014, the target Annual Bonus shall be pro-rated for the portion of the year that the Executive served as the Company's Chief Executive Officer. The actual Annual Bonus payouts will be based on achievement of the individual and/or Partnership performance criteria established for the applicable fiscal year by the Compensation Committee of the Board (the "Compensation Committee") in its sole and absolute discretion. The Annual Bonus (or any pro-rated portion thereof), if any, payable to Executive for a fiscal year will be paid by the Company to the Executive in the immediately succeeding fiscal year only after the completion of the audit of the Partnership's consolidated financial statements and filing of the Partnership's Annual Report on Form 10-K with respect to such fiscal year and, only after the Compensation Committee, in its sole and absolute discretion, has approved the final achievement level and payout; 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 Code, the Annual Bonus shall be paid at such time as is provided in the applicable plan. The Executive must be actively employed on the day of payout to be eligible for an Annual Bonus payment.

2.3. Employee Benefits. During the Term, the Executive shall be eligible to participate in such 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 and subject to the terms and conditions of any such plans and programs.

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.

2.6. Phantom Unit Awards. On the Commencement Date, the Executive and the Partnership shall enter into an Employee Phantom Unit Agreement in substantially the form attached hereto as Appendix A, pursuant to which the Partnership shall grant to the Executive Phantom Units.

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, any unreimbursed expenses in accordance with Section 2.5 hereof and any accrued and vested rights or benefits under any Company sponsored employee benefits plans payable in accordance with the terms and conditions of such plans (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 (x) for Cause or (y) due to the Executive's death or Disability or (ii) the Executive resigns for Good Reason, then in addition to the Accrued Amounts, the Executive shall be entitled to (a) the continuation of Executive's Base Salary (such continuation payments, the "Severance Payments") 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 the lesser of (A) six (6) months and (B) the remainder of the Term (as applicable, the "Severance Period"), (b) a pro-rata Annual Bonus ("Pro-Rata Bonus") for the fiscal year of termination based on achievement of the individual and/or Partnership performance criteria established for such fiscal year by the Compensation Committee (in its sole and absolute discretion) and determined by multiplying the amount of the Annual Bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that Executive is employed by the Company and the denominator of which is 365, which amount, if any, shall be payable by the Company to the Executive in the immediately succeeding fiscal year only after the completion of the audit of the Partnership's consolidated financial statements and filing of the Partnership's Annual Report on Form 10-K with respect to such fiscal year of termination and, only after the Compensation Committee, in its sole and absolute discretion, has approved the final achievement level and payout, and (c) subject to Executive's timely election, and the availability, of continuation coverage under Part 6 of Title I of the Employment Retirement Income Security Act of 1974 (as amended) and Section 4980B of the Code ("COBRA"), and further subject to the Executive paying 100% of all premiums and other costs related to such continuation coverage, the continuation of such coverage under COBRA under the applicable Company group health plans as in effect from time to time for the applicable coverage continuation period under COBRA. The Company's obligations to make the Severance Payments and the Pro-Rata Bonus 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") that becomes effective not later than sixty (60) days after the date of such termination or resignation of employment. The Company shall provide the form of the Release to the Executive within five (5) days following the date of the Executive's 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 and the Pro-Rata Bonus that has been paid to the Executive pursuant to this Section 3.2(a). Subject to the foregoing and Section 3.2(b), the Severance Payments will commence to be paid to the Executive on the sixtieth (60^{th}) day following the Executive's termination of employment.

(b) 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 the Executive at any time prior to the earlier of (a) the expiration of the six (6) month period following the Executive's separation from service, and (b) the Executive's death, and any such amounts deferred during such period shall instead be paid in a lump sum to the Executive (or, if applicable, the Executive's estate) on the first payroll payment date following expiration of such six (6) month period or, if applicable, the Executive's death. 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). For purposes of applying Section 409A of the Code to this Employment Agreement (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), each payment that the Executive may be entitled to receive under this Employment Agreement shall be treated as a separate and distinct payment and shall not collectively be treated as a single payment. None of the Company, the Partnership or any of their respective Affiliates shall be obligated to pay or otherwise gross-up the Executive for any federal, state, local or foreign taxes relating to or arising with respect to any benefits, compensation or payment made under this Employment Agreement.

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 and, following the expiration of the Severance Period, shall compensate Executive for time spent on such matters at an hourly rate commensurate with his Base Salary as of the date of termination assuming two thousand (2,000) working hours per year.

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

4.1. Unauthorized Disclosure.

(a) During the Term and at all times thereafter, the Executive shall hold in a fiduciary capacity for the benefit of the Company, Partnership and each of their respective Affiliates, all secret or confidential information, knowledge or data, including, without limitation, technical information, intellectual property, business and marketing plans, strategies, customer information and lists, software, trade secrets, sources of supplies and materials, designs, production and design techniques and methods, identity of investments, identity of contemplated investments, business opportunities, valuation models and methodologies, processes, technologies, and any other intellectual property relating to the business, or other information concerning the products, promotions, development, financing, expansion plans, business policies and practices, of the Company, Partnership and each of their respective Affiliates, and their respective businesses, and other forms of information considered by the Company, the Partnership and their respective Affiliates to be confidential and in the nature of trade secrets (i) obtained by the Executive during the Executive's employment by the Company, the Partnership or any of their respective Affiliates, and (ii) not otherwise in the public domain (collectively, "Confidential Information").

(b) The Executive also agrees to keep confidential and not to publish, post on his own or to disclose any personal information regarding any controlling Person of the Partnership or the Company (or any of their respective Affiliates), including, without limitation, Carl C. Icahn, or any of his Affiliates and their respective employees, and any member of the immediate family of any such Person (and all such personal information shall be deemed "Confidential Information" for the purposes of this Employment Agreement). The Executive shall not, without the prior written consent of the Company (acting at the direction of the Board): (i) except to the extent compelled pursuant to the order of a court or other body having jurisdiction over such matter or based upon the advice of counsel that such disclosure is legally required, communicate or divulge any Confidential Information to anyone other than the Company and those designated by the Company; or (ii) use any Confidential Information for any purpose other than the performance of his duties pursuant to this Employment Agreement. The Executive will assist the Company or its designee, at the Company's expense, in obtaining a protective order, other appropriate remedy or other reliable assurance that confidential treatment will be accorded any Confidential Information disclosed pursuant to the terms of this Employment Agreement. The Executive agrees not to disparage the Company, the Partnership, their respective officers and directors, Mr. Icahn, any Related Parties, or any Affiliate of any of the foregoing, in each case during and/or after the Executive's employment hereunder. Without limiting anything contained above, the Executive agrees and acknowledges that all personal and not otherwise public information about the Company, the Partnership and their respective Affiliates (including, without limitation, all information regarding Icahn Enterprises LP ("IEP"), Carl C. Icahn, Mr. Icahn's family, and employees of the Company, Partnership, IEP and their respective Affiliates) shall constitute Confidential Information for purposes of this Employment Agreement.

(c) 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.

(d) The Executive further agrees not to write, contribute to, or assist any other person in writing or creating, a book, film, broadcast, article, blog or any other publication (whether in print, electronic or any other form) about or concerning, in whole or in part, the Company, the Partnership, IEP, Mr. Icahn and his family members or any of the respective Affiliates and subsidiaries of any of the foregoing (as applicable), in any media, and not to publish or cause to be published in any media, any Confidential Information, and further agrees to keep confidential and not to disclose to any third party, including, but not limited to, newspapers, authors, publicists, journalists, bloggers, gossip columnists, producers, directors, script writers, media personalities, and the like, in any and all media or communication methods, any Confidential Information. In furtherance of the foregoing, the Executive agrees that during the Term and following the termination of his employment with the Company, the sole and only disclosure or statement he will make about or concerning any or all of the Company, the Partnership, IEP, Mr. Icahn and his family members or any of the respective Affiliates and subsidiaries of any of the foregoing (as applicable) is to acknowledge that the Executive is or was employed by the Company (unless otherwise required by applicable law).

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 Partnership, the Company and their respective Affiliates, the Executive agrees that the Executive shall not, during the Term and for a period of six (6) 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 principal, agent, owner, stockholder, director, officer, consultant, advisor, independent contractor, employee, partner, or investor in, any Restricted Enterprise (as defined below), or otherwise howsoever own, operate, carry on or engage in the operation of or otherwise work for or assist the operation of, or have any financial interest in or provide, directly or indirectly, financial assistance to or lend money to or guarantee the debts or obligations of any Person carrying on or engaged in any Restricted Enterprise; 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 Partnership, the Company or any of their respective 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 Partnership, the Company or any of their respective Affiliates in the Partnership's, the Company's or their respective 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). During the Restriction Period, upon request of the Company, the Executive shall notify the Company of the Executive's then-current employment status.

4.3. Non-Solicitation of Employees. During the Term and for a period of six (6) months thereafter, the Executive shall not, directly or indirectly, contact, induce or solicit (or assist any Person to contact, induce or solicit) for employment, or otherwise interfere with, entice away or attempt to obtain or induce the withdrawal of, any person who is, or within twelve (12) months prior to the date of such solicitation was, an employee of the Partnership, the Company or any of their respective Affiliates.

4.4. Non-Solicitation of Customers/Suppliers. During the Term and for a period of six (6) months thereafter, the Executive shall not, directly or indirectly, (i) solicit, interfere with or endeavor to entice away from the Partnership, the Company or any of their respective Affiliates, any current or prospective supplier, customer, client or any Person in the habit of dealing with any of the foregoing, (ii) attempt to direct or solicit any current or prospective supplier, customer or client away from the Partnership, the Company or any of their respective Affiliates, or (iii) advise any Person not to do business with, or be employed by, the Partnership, the Company or any of their respective Affiliates.

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

4.6. Proprietary Rights. Any and all inventions, processes, know-how, technologies, trade-secrets information, intellectual property, 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 Partnership, the Company or their respective Affiliates (whether or not on the Partnership's, the Company's or any of their respective Affiliates' time or with the use of the Partnership's, the Company's or any of their respective Affiliates' facilities or materials) (the "Developments") shall be the property of the Partnership, the Company or any of their respective Affiliates, as the case may be, and shall be promptly and fully disclosed by the Executive to the Company. 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 Partnership, the Company and/or their respective 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 Partnership, the Company and/or their respective Affiliates as the Executive's employer. Whenever requested to do so by the Company, and without further compensation therefor, 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 Partnership, the Company and their respective Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to the Developments, 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 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 Partnership, the Company, their respective Affiliates, and their respective 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 Partnership, the Company and their respective Affiliates for which the Partnership, the Company and their respective 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 Partnership, the Company and their respective 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 Partnership, the Company and their respective Affiliates may be entitled at law or in equity, including, without limitation, the obligation of the Executive to return any Severance Payments and any Pro-Rata Bonus amounts paid by the Company back to the Company. The terms of this paragraph shall not prevent the Partnership, the Company or their respective 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 Partnership, the Company and their respective 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 acknowledges, covenants, agrees, warrants and represents that: (i) he is not a party to any contract, nor is he subject to, or bound by any commitment, restrictive covenant or agreement, order, judgment, decree, law, statute, ordinance, rule, regulation or other restriction of any kind or character, which either would or purports to, prevent or restrict him from entering into and performing his obligations under this Employment Agreement free of any limitations; (ii) he is free to enter into the arrangements contemplated herein; (iii) he is not subject to any agreement or obligation that would limit his ability to act on behalf of the Company, the Partnership or any of their respective Affiliates; (iv) the termination of his existing employment, his entry into the employment contemplated herein and the performance of his duties in respect thereof, will not violate or conflict with any agreement or obligation to which he is subject; and (v) he has had an opportunity to consult with independent legal counsel regarding his rights and obligations under this Employment Agreement and that he fully understands the terms and conditions contained herein.

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 benefit of 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") constitutes "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate Payments 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, solely to the extent applicable, 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 hereof 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 Formation or Limited Liability Company Agreement, as in effect from time to time, and subject to any separate agreement (if any) between the Company and the Executive or between the Partnership 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 Partnership or 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 GP, LLC. 10 E. Cambridge Circle, Suite 250 Kansas City, KS 66103 Attention: General Counsel Facsimile: (913) 982-5651
with a copy to:	Proskauer Rose LLP Eleven Times Square New York, NY 10036 Attention: Andrea S. Rattner, Esq. Facsimile: (212) 969-2900
If to the Executive:	Mark A. Pytosh

At the last known principal residence address reflected in the payroll records of the Company, or to such other address as either party shall have furnished to the other in writing in accordance herewith.

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 party hereto notice in the manner then set forth.

8.6. Governing Law. This Employment Agreement shall be governed and interpreted and the rights of the parties determined in accordance with the laws of the United States applicable thereto and the internal laws of the State of New York without giving effect to the conflict of laws principles thereof. Any unresolved dispute arising out of this Employment Agreement shall be litigated solely in any court of competent jurisdiction in the Borough of Manhattan in New York City; provided that the Company may elect to pursue a court action to seek injunctive relief in any court of competent jurisdiction to terminate the violation of its proprietary rights, including but not limited to trade secrets, copyrights or trademarks. Each party shall pay its own costs and fees in connection with any litigation hereunder.

8.7. Waiver of Jury Trial. THE PARTIES HERETO AGREE TO WAIVE THE RIGHT TO A TRIAL BY JURY. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY EXECUTIVE, AND EXECUTIVE ACKNOWLEDGES THAT, EXCEPT FOR THE COMPANY'S AGREEMENT TO LIKEWISE WAIVE ITS RIGHTS TO A TRIAL BY JURY (WHICH THE COMPANY HEREBY MAKES), THE COMPANY HAS NOT MADE ANY REPRESENTATIONS OF FACTS TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. EXECUTIVE FURTHER ACKNOWLEDGES THAT HE HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER AND AS EVIDENCE OF THIS FACT SIGNS THIS EMPLOYMENT AGREEMENT BELOW.

8.8. Severability. If any paragraph or part or subpart of any paragraph in this Employment Agreement or the application thereof is construed to be overbroad and/or unenforceable, then the court making such determination shall have the authority to narrow the paragraph or part or subpart of the paragraph as necessary to make it enforceable and the paragraph or part or subpart of the paragraph shall then be enforceable in its/their narrowed form. Moreover, each paragraph or part or subpart of each paragraph in this Employment Agreement is independent of and severable (separate) from each other. In the event that any paragraph or part or subpart of any paragraph in this Employment Agreement is determined to be legally invalid or unenforceable by a court and is not modified by a court to be enforceable, the affected paragraph or part or subpart of such paragraph shall be stricken from this Employment Agreement, and the remaining paragraphs or parts or subparts of such paragraphs of this Employment Agreement shall remain in full force and effect.

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, without limitation, the employment offer letter between the Executive and the Partnership dated March 20, 2014, and any prior course of dealings), both written and oral, relating to any employment of the Executive by the Company or any of its Affiliates.

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. The terms of this Employment Agreement shall be binding upon the Executive, the Executive's heirs, executors, assigns, administrators and legal representatives, and shall inure to the benefit of the Company and its successors and assigns, including, without limitation, 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. Company Actions. Any actions, approvals, decisions, or determinations to be made by the Company under this Employment Agreement shall be made by the 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.

8.14. Survival. All provisions of this Employment Agreement which by their terms, contain continuing obligations by Executive shall survive termination of this Employment Agreement, including without limitation, the covenants, duties and obligations under Sections 1.4(b) and (c), 3.4, 3.5 and 4 hereof.

8.15. Definitions. In addition to the defined terms set forth throughout this Employment Agreement, the capitalized terms set forth on Appendix B shall have the respective meanings set forth thereon and are incorporated by reference into this Employment Agreement.

[signature page follows]

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

CVR GP, LLC

/s/ Mark A. Pytosh	By: /s/ John J. Lipinski
Mark A. Pytosh	Name: John J. Lipinski
	Title: Executive Chairman

[Signature Page to Employment Agreement]

APPENDIX A

Employee Phantom Unit Agreement

APPENDIX B

Definitions

"Affiliate" shall have the meaning set forth in Rule 405 of Regulation C of the Securities Act of 1933, as amended. Any reference in this Employment Agreement to "Affiliates" shall include, without limitation, all persons and entities that are included in the Related Persons, in each case, on the date hereof and from time to time.

"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 material reduction in the Executive's Base Salary, provided, however, that the Executive must provide the Company with written notice promptly following the occurrence of any of the foregoing and at least thirty (30) days to cure.

"Cause" shall mean the Executive's: (i) willful failure to perform substantially the duties of Chief Executive Officer of the Company (other than any such failure resulting from incapacity due to Disability); (ii) commission of, or indictment for, a felony or any crime involving fraud or embezzlement or dishonestly or conviction of, or plea of *nolo contendere* to a crime or misdemeanor (other than a traffic violation) punishable by imprisonment under federal, state or local law; (iii) engagement in an act of fraud, or other act and willful dishonesty or misconduct, towards the Partnership, the Company or any of their respective Affiliates, or detrimental to the Partnership, the Company or any of their respective Affiliates, or in the performance of his duties hereunder; (iv) material breach of this Employment Agreement; (v) negligence in the performance of the Executive's duties hereunder that has a detrimental effect on the Partnership, the Company or any of their respective Affiliates; (vi) violation of a federal or state securities law or regulation; (vii) the use by the Executive of a controlled substance without a prescription or the use of alcohol which, in each case, significantly impairs the Executive's ability to carry out his duties and responsibilities; (viii) material violation by the Executive of the policies and procedures of the Partnership, the Company or any of their respective Affiliates; (ix) embezzlement and/or misappropriation of property of the Partnership, the Company (or any of their respective Affiliates); (x) failure to meet the terms of the Relocation as set forth in Section 1.4 of the Employment Agreement, or breach of any of the terms set forth in Section 1.2, 1.3, 4 or 5 of the Employment Agreement; or (xi) conduct involving any immoral acts which is reasonably likely to impair the reputation of the Partnership, the Company or any of their respective Affiliates.

"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.

"Person" or "person," shall mean any individual, partnership, limited partnership, corporation, limited liability company, trust, foundation, estate, cooperative, association (except his homeowners association, if any), organization, proprietorship, firm, joint venture, joint stock company, syndicate, company, committee, government or governmental subdivision or agency, or other entity, whether or not conducted for profit.

"Related Persons" means: (1) Carl Icahn, any spouse and any child, stepchild, sibling or descendant of Carl Icahn; (2) any estate of Carl Icahn or of any person under clause (1) above; (3) any person who receives a beneficial interest in any estate under clause (2) above to the extent of such interest; (4) any executor, personal administrator or trustee who holds such beneficial interest in Company for the benefit of or as fiduciary for, any person under clause (1), (2) or (3) above to the extent of such interest; (5) any Person, directly or indirectly owned or controlled by Carl Icahn or any other person or persons identified in clause (1), (2), (3) or (4) above; (6) any not-for profit entity not subject to taxation pursuant to Section 501(c)(3) of the Code (or any successor provision) to which Carl Icahn or any person identified in clause (1), (2), or (3) above contributes his beneficial interest in the Company or to which such beneficial interest passes pursuant to such person's will; and (7) the Company and its subsidiaries.

CVR PARTNERS, LP
LONG-TERM INCENTIVE PLAN
EMPLOYEE PHANTOM UNIT AGREEMENT

THIS AGREEMENT (this "Agreement"), made as of the 5th day of May, 2014 (the "Grant Date"), between CVR Partners, LP, a Delaware limited partnership (the "Partnership"), and the individual grantee designated on the signature page hereof (the "Grantee").

WHEREAS, the board of directors of CVR GP, LLC, a Delaware limited liability company (the "General Partner") has adopted the CVR Partners, LP Long-Term Incentive Plan (the "Plan") in order to provide an additional incentive to certain of the Partnership's and its Subsidiaries' and Parents' employees, officers, consultants and directors;

WHEREAS, the General Partner has entered into an employment agreement with the Grantee effective May 5, 2014; and

WHEREAS, the Committee responsible for administration of the Plan has authorized the grant of Phantom Units to the Grantee as provided herein.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Phantom Units.

1.1. The Partnership hereby grants to the Grantee, and the Grantee hereby accepts from the Partnership 30,116 Phantom Units (the "Award"), on the terms and conditions set forth in this Agreement. Subject to the terms of this Agreement, each Phantom Unit represents the right of the Grantee to receive, provided that the Award (or any applicable portion thereof) has not been forfeited pursuant to Section 4(a)(ii), a cash payment equal to the average closing price of the Units for the first ten (10) business days of the last month of the applicable Performance Cycle (as defined below), multiplied by the applicable Performance Factor as determined pursuant to Section 3(a) (subject to Section 4(a), if applicable).

1.2. This Agreement shall be construed in accordance with and consistent with, and subject to, the provisions of the Plan (the provisions of which are incorporated herein by reference). Except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Performance Conditions.

(a) During each of the Performance Cycles, the Phantom Units attributable to the Award as set forth below shall be subject to the achievement of a performance objective relating to the Partnership's production of UAN (the "UAN Objective") with a target of achieving the specified UAN production level as follows:

Number of Phantom Units Attributable to Award During Each Performance Cycle	Performance Cycle	UAN Production Target Level
10,039	2014 Performance Cycle	670,000 tons
10,039	2015 Performance Cycle	1,006,700 tons
10,038	2016 Performance Cycle	1,006,700 tons

provided, however, that the UAN Objective for any Performance Cycle shall be subject to downward adjustment by the Committee for any hydrogen sales greater than 2,813,240 MSCF, at a UAN to hydrogen ratio of 1 ton to 27.686 MSCF.

As used herein, (i) "2014 Performance Cycle" means the period beginning on May 1, 2014 and ending on December 31, 2014, (ii) "2015 Performance Cycle" means the period beginning on January 1, 2015 and ending on December 31, 2015, (iii) "2016 Performance Cycle" means the period beginning on January 1, 2016 and ending on December 31, 2016, (iv) "MSCF" means one thousand standard cubic feet, a customary gas measurement, (v) "Performance Cycle" means any of the 2014 Performance Cycle, the 2015 Performance Cycle or the 2016 Performance Cycle, as applicable, and (vi) "UAN" means an aqueous solution of urea ammonium nitrate used as a fertilizer.

3. Achievement of UAN Objective.

(a) At the end of each Performance Cycle, the Performance Factor shall be determined by the Committee based on the following levels of achievement with respect to the UAN Objective:

Level of Achievement of UAN Objective

Equal to or Greater Than	But Less Than	Performance Factor
0.0%	92.0%	0.0%
92.0%	95.0%	50.0%
95.0%	98.0%	75.0%
98.0%	102.0%	100.0%
102.0%	N/A	110.0%

For example, if, with respect to either the 2015 Performance Cycle or the 2016 Performance Cycle, the Partnership's UAN production generates an average of 971,466 tons per year, the level of achievement of the UAN Objective would be 96.5%, and the Performance Factor would be 75.0%.

(b) As soon as reasonably practicable after the completion of the audit of the Partnership's consolidated financial statements and filing of the Partnership's Annual Report on Form 10-K with respect to each Performance Cycle year (but in no event later than the June 30th immediately following such Performance Cycle year), the Compensation Committee, in its sole and absolute discretion, shall review and approve the extent to which the UAN Objective was achieved with respect to such Performance Cycle and, determine the applicable Performance Factor for the portion of the Phantom Units attributable to such Performance Cycle pursuant to Section 2 hereof (such determination date, the "Determination Date"); provided, however, that if the Award (or any applicable portion thereof) is payable pursuant to a plan that is intended to provide for compensation that constitutes "performance-based compensation" within the meaning of Section 162(m) of the Code, the Award shall be paid at such time as is provided in the applicable plan.

(c) Notwithstanding anything herein to the contrary, the Committee reserves the right (in its sole and absolute discretion) to modify any term of the Award, including, without limitation, the UAN Objective, target level or Performance Factors set forth herein, due to extraordinary and/or non-recurring events or any investments in capacity increases.

4. Termination of Employment.

(a) In the event of the Grantee's termination of employment with the Company, a Subsidiary or a Parent prior to December 31, 2016 (i) by reason of his death or Disability or (ii) by the Company, a Subsidiary or a Parent other than for Cause, Disability or death,

(i) with respect to the Performance Cycle in which the Grantee's employment termination occurs and with respect to any Performance Cycle that has been completed at the time of such termination, 100% of all Phantom Units attributable to the Award for any and all such Performance Cycle(s) pursuant to Section 2(a) hereof will remain outstanding, and amounts due to the Grantee, if any, with respect to such Phantom Units, will be paid pursuant to Section 6 (solely to the extent such amounts have not already been paid); and

(ii) other than any Phantom Units that remain outstanding pursuant to Section 4(a)(i) above, all Phantom Units shall be deemed immediately forfeited and Grantee shall have no rights with respect thereto; and

notwithstanding anything herein to the contrary, with respect to any Phantom Units that remain outstanding pursuant to Section 4(a)(i) hereof that are attributable to the then current Performance Cycle, the applicable Performance Factor shall not be greater than 100.0%. For the avoidance of doubt, in the event that the Grantee's employment is terminated prior to December 31, 2016 for any reason other than one described in Section 4(a) above, all Phantom Units shall be forfeited immediately upon the Grantee's termination of employment.

(b) To the extent any payments provided for under this Agreement are treated as "nonqualified deferred compensation" subject to Section 409A of the Code, (i) this Agreement shall be interpreted, construed and operated in accordance with Section 409A of the Code and the Treasury regulations and other guidance issued thereunder, (ii) if on the date of the Grantee's separation from service (as defined in Treasury Regulation §1.409A-1(h)) with the Partnership, or any of its Subsidiaries or Parents, the Grantee is a specified employee (within the meaning of Section 409A of the Code 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 the Grantee at any time prior to the earlier of (A) the expiration of the six (6) month period following the Grantee's separation from service or (B) the Grantee's death, and any such amounts deferred during such applicable period shall be paid in a lump sum to the Grantee (or, if applicable, to the Grantee's estate) on the first payroll payment date following expiration of such six (6) month period or, if applicable, the Grantee's death, and (iii) for purposes of conforming this Agreement to Section 409A of the Code, any reference to termination of employment, termination or separation from employment, resignation from employment or similar terms must also qualify as a "separation from service" as defined in Treasury Regulation §1.409A-1(h).

(c) For purpose of this Section 3, for the avoidance of doubt, and notwithstanding anything herein to the contrary, if the Grantee has an employment agreement with the Company or one of its subsidiaries that terminates or expires without renewal thereof and the Company (or one of its subsidiaries) chooses not to enter into a new employment agreement with the Grantee, then, except as expressly provided under circumstances described in Section 3(a) above, the Grantee shall not be entitled to any acceleration of vesting or any payments whatsoever pursuant to this Section 3 irrespective of whether the Grantee experiences a termination of employment (for any reason) or continues in the employ of the Company (or one of its subsidiaries) on an at-will basis or otherwise.

5. Distribution Equivalent Rights

The Partnership hereby grants to the Grantee, and the Grantee hereby accepts from the Partnership, one Distribution Equivalent Right for each Phantom Unit granted hereunder, and that has not been forfeited pursuant to Section 4(a)(ii), equal to the cash value of all distributions declared and paid by the Partnership on Units from the Grant Date to and including December 31, 2016; provided, however, that the payment of Distribution Equivalent Rights will be deferred until and conditioned upon the underlying Phantom Units being paid pursuant to Section 6 hereof. Notwithstanding anything herein to the contrary, in no event shall any Distribution Equivalent Rights be paid with respect to any Phantom Units that are forfeited under Section 4(a)(ii) hereof.

6. Payment Date.

Within five (5) days following each applicable Determination Date, the Partnership will deliver to the Grantee an aggregate cash payment in respect of the portion of the Phantom Units attributable to the applicable Performance Cycle pursuant to Section 2 above that has not been forfeited pursuant to Section 4(a)(ii), and calculated in accordance with Section 1.1 hereof. In addition, at the time of such payment, Distribution Equivalent Rights, if any, with respect to all Phantom Units entitled to payment pursuant to the immediately preceding sentence, with no interest thereon, shall be paid to the Grantee. Except as provided in Section 4(a)(i), the Grantee must remain continuously employed by the Company from the Grant Date through the applicable payment date in order to receive any payments hereunder. Notwithstanding anything to the contrary herein, the Committee reserves the right, in its sole discretion, to reduce the amount payable to the Grantee under this Agreement without regard to the actual performance of the Company or the Grantee.

7. Non-transferability.

The Phantom Units may not be sold, transferred or otherwise disposed of and may not be pledged or otherwise hypothecated, other than by will or by the laws of descent or distribution. The Phantom Units shall not be subject to execution, attachment or other process.

8. Compensation Recoupment.

(a) To the extent not prohibited by applicable law, the Board, in its sole and absolute discretion, may seek reimbursement of any payment made to Grantee in respect of the Phantom Units granted hereunder if (A) Grantee is currently or was previously designated as an "officer" by the Board for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (such designation, "Officer"), and (B) Grantee, in the judgment of the Board, commits misconduct or a gross dereliction of duty that results in a material violation of Company policy and causes significant harm to the Company (or any of its subsidiaries) while serving in his or her capacity as an Officer. In such event, (x) if Grantee is a current Officer, the Board may seek reimbursement of all or a portion of any such payment made to Grantee during the one-year period preceding the date on which such misconduct or dereliction of duty was discovered by the Company (or any of its subsidiaries), or (y) if Grantee is a former Officer, the Board may seek reimbursement of all or a portion of any such payment made to Grantee during the one-year period preceding the last date on which Grantee was an Officer.

(b) To the extent not prohibited by applicable law, if Grantee is an Officer, the Board shall seek reimbursement of any payment made to Grantee in respect of the Phantom Units granted hereunder in the event of a restatement of the Company's (or any of its subsidiaries') financial results (occurring due to material noncompliance with any financial reporting requirements under applicable securities laws) that reduced a previously granted payment made to Grantee in respect of the Phantom Units granted hereunder. In that event, the Board will seek to recover the amount of any such payment made to Grantee that exceeded the amount that would have been paid based on the restated financial results.

(c) If the Company subsequently determines that it is required by law to apply a "clawback" or alternate recoupment provision to the Phantom Units granted hereunder, under the Dodd-Frank Wall Street Reform and Consumer Protection Act or otherwise, then such clawback or recoupment provision also shall apply to such Phantom Units, as if it had been included on the effective date of this Agreement.

9. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right with respect to continuance of employment by the Partnership, or any of its Subsidiaries or Parents, nor shall this Agreement or the Plan interfere in any way with the right of the Partnership, or any of its Subsidiaries or Parents to terminate the Grantee's employment therewith at any time.

10. Withholding of Taxes.

The Grantee shall pay to the Partnership, or the Partnership and the Grantee shall agree on such other arrangements necessary for the Grantee to pay, the applicable minimum federal, foreign, state and local income taxes required by law to be withheld (the "Withholding Taxes"), if any, in connection with the Phantom Units. The Partnership shall have the right to deduct from any payment of cash to the Grantee an amount equal to the Withholding Taxes in satisfaction of the Grantee's obligation to pay Withholding Taxes.

11. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

12. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the time or at any prior or subsequent time.

13. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

14. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the conflicts of laws principles thereof.

15. Rights as Equity Holder.

In no event whatsoever shall the Grantee possess any incidents of ownership in any equity of the Company or the Partnership with respect to the Phantom Units granted hereunder.

16. Entire Understanding.

This Agreement embodies the entire understanding and agreement of the parties in relation to the subject matter hereof, and no promise, condition, representation or warranty, expressed or implied, not herein stated, shall bind either party hereto.

17. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Partnership. This Agreement shall inure to the benefit of and be binding upon the Grantee's beneficiaries, heirs, executors, administrators, successors and legal representatives. All obligations imposed upon the Grantee and all rights granted to the Partnership under this Agreement shall be final, binding and conclusive upon the Grantee's beneficiaries, heirs, executors, administrators, successors and legal representatives.

18. Unfunded Status.

The Phantom Units constitute an unfunded and unsecured promise of the Company to deliver (or cause to be delivered) to the Grantee, subject to the terms and conditions of this Agreement, cash payments for the applicable portion of such Phantom Units as provided herein. By accepting this grant of Phantom Units, the Grantee understand that this grant does not confer any legal or equitable right (other than those constituting the Phantom Units) against the Company or any of its affiliates, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or any of its affiliates. The rights of the Grantee (or any person claiming through the Grantee) under this Agreement shall be solely those of an unsecured general creditor of the Company.

19. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee (in its sole and absolute discretion). Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Partnership for all purposes.

20. Grantee's Acknowledgement.

The Grantee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Agreement subject to all of the terms and provisions thereof. The Grantee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement and fully understands the provisions of the Agreement. The Grantee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement. The Grantee further agrees to notify the Company upon any change in his or her residence address. A facsimile or photocopy of an executed counterpart of this Agreement shall be sufficient to bind the party or parties whose signature(s) appear thereon.

[*signature page follows*]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

CVR PARTNERS, LP By: CVR GP, LLC, its general partner	GRANTEE
/s/ John J. Lipinski By: John J. Lipinski Title: Executive Chairman	/s/ Mark A. Pytosh Name: Mark A. Pytosh

AMENDMENT TO
GP SERVICES AGREEMENT

THIS AMENDMENT TO GP SERVICES AGREEMENT (this "***Amendment***") is entered into as of June 27, 2014 by and between CVR Partners, LP, a Delaware limited partnership ("***MLP***"), CVR GP, LLC, a Delaware limited liability company ("***GP***"), and CVR Energy, Inc., a Delaware corporation ("***CVR***", and collectively with MLP and GP, the "***Parties***" and each, a "***Party***").

RECITALS

The Parties entered into a GP Services Agreement effective as of November 29, 2011 (the "***Agreement***"), pursuant to which GP agreed to provide the GP Services to the GP Services Recipients. The Parties desire to amend the Agreement in the manner set forth in this Amendment.

The parties agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined herein have the meanings assigned to them in the Agreement.

2. Terms.

(a) The definition of “Share-Based Compensation” contained in Section 1.01 of the Agreement is deleted in its entirety.

(b) The term “Personnel Costs” contained in Section 1.01 of the Agreement is amended and restated to read as follows:

"***Personnel Costs***" means all compensation costs incurred by an employer in connection with the employment by such employer of applicable personnel, including all payroll and benefits but excluding severance costs.

3. Effective Date. Each of the amendments contemplated by this Amendment is effective as of April 1, 2014 (the "***Effective Date***").

4. Ratify Agreement. Except as expressly amended hereby, the Agreement will remain unamended and in full force and effect in accordance with its terms. The amendments provided herein will be limited precisely as drafted and will not constitute an amendment of any other term, condition or provision of the Agreement. References in the Agreement to "Agreement", "hereof", "herein", and words of similar import are deemed to be a reference to the Agreement as amended by this Amendment.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which will be deemed to be an original and all of which constitute one agreement that is binding upon each of the parties, notwithstanding that all parties are not signatories to the same counterpart.

The parties have executed this Amendment as of the date first written above, but effective as of the Effective Date.

CVR Partners, LP
By: CVR GP, LLC, its general partner

By: /s/ Mark A. Pytosh
Name: Mark A. Pytosh
Title: Chief Executive Officer and President

CVR GP, LLC

By: /s/ Susan M. Ball
Name: Susan M. Ball
Title: Chief Financial Officer and Treasurer

CVR Energy, Inc.

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

Exhibit 31.1

Certification of Executive Chairman 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 Partners, LP;

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 officers 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 officers 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
Executive Chairman of CVR GP, LLC,
the general partner of CVR Partners, LP

Date: July 31, 2014

Exhibit 31.2

Certification of 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, Mark A. Pytosh, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

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 officers 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 officers 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/ MARK A. PYTOSH
Mark A. Pytosh
Chief Executive Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Date: July 31, 2014

Exhibit 31.3

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, Susan M. Ball, certify that:

1. I have reviewed this report on Form 10-Q of CVR Partners, LP;

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 officers 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 officers 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/ SUSAN M. BALL
Susan M. Ball
Chief Financial Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Date: July 31, 2014

Exhibit 32.1

Certification of Executive Chairman
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 Partners, LP, a Delaware limited partnership (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Lipinski, Executive Chairman of CVR GP, LLC, the general partner of the Partnership, 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 Partnership as of the dates and for the periods expressed in the Report.

By: /s/ JOHN J. LIPINSKI
John J. Lipinski
Executive Chairman of CVR GP, LLC,
the general partner of CVR Partners, LP

Dated: July 31, 2014

Exhibit 32.2

Certification of 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 Partners, LP, a Delaware limited partnership (the “Partnership”) on Form 10-Q for the fiscal quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark A. Pytosh, Chief Executive Officer of CVR GP, LLC, the general partner of the Partnership, 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 Partnership as of the dates and for the periods expressed in the Report.

By: /s/ MARK A. PYTOSH

Mark A. Pytosh
Chief Executive Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Dated: July 31, 2014

Exhibit 32.3

Certification of 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 Partners, LP, a Delaware limited partnership (the “Partnership”) on Form 10-Q for the fiscal quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Susan M. Ball, Chief Financial Officer of CVR GP, LLC, the general partner of the Partnership, 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 Partnership as of the dates and for the periods expressed in the Report.

By: /s/ SUSAN M. BALL
Susan M. Ball
Chief Financial Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Dated: July 31, 2014