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 fiscal period ended June 30, 2012

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number: 001-35120

CVR Partners, LP

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**56-2677689** (I.R.S. Employer Identification No.)
2277 Plaza Drive, Suite 500 **Sugar Land, Texas** (Address of principal executive offices)	**77479** (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 o	Accelerated filer o	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company o

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

There were 73,043,356 common units outstanding at August 1, 2012.

CVR Partners, LP and Subsidiary

INDEX TO QUARTERLY REPORT ON FORM 10-Q
For The Quarter Ended June 30, 2012

GLOSSARY OF SELECTED TERMS

The following are definitions of certain terms used in this Quarterly Report on Form 10-Q.

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 50,920,000 common units, or approximately 70% 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.

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

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

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

general partner—CVR GP, LLC, our general partner, which is a wholly-owned subsidiary of Coffeyville Resources.

Initial Public Offering—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 unit.

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 refining process.

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

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.

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

syngas—Synthesized gas—a mixture of gases (largely carbon monoxide and hydrogen) that results from gasifying carbonaceous feedstock such as pet coke.

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.

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

PART I. FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

CVR PARTNERS, LP AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2012 (unaudited)	December 31, 2011
	(dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 196,394	$ 236,975
Accounts receivable, net of allowance for doubtful accounts of $95 and $76, respectively	4,697	9,322
Inventories	22,658	23,255
Prepaid expenses and other current assets including $551 and $572 from affiliates at June 30, 2012 and December 31, 2011, respectively	2,963	2,311
Total current assets	226,712	271,863
Property, plant, and equipment, net of accumulated depreciation	367,359	341,495
Intangible assets, net	32	36
Goodwill	40,969	40,969
Deferred financing cost, net	2,686	3,164
Other long-term assets, including $1,405 and $1,495 with affiliates at June 30, 2012 and December 31, 2011, respectively	1,945	1,782
Total assets	$ 639,703	$ 659,309
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable, including $2,634 and $2,064 due to affiliates at June 30, 2012 and December 31, 2011, respectively	$ 18,372	$ 15,869
Personnel accruals, including $862 and $812 with affiliates at June 30, 2012 and December 31, 2011, respectively	2,462	2,744
Deferred revenue	4,371	9,019
Accrued expenses and other current liabilities, including $522 and $549 with affiliates at June 30, 2012 and December 31, 2011, respectively	9,753	14,822
Total current liabilities	34,958	42,454
Long-term liabilities:		
Long-term debt, net of current portion	125,000	125,000
Other long-term liabilities, including $595 and $850 with affiliates at June 30, 2012 and December 31, 2011, respectively	2,601	2,366
Total long-term liabilities	127,601	127,366
Commitments and contingencies		
Partners' capital:		
Common unitholders, 73,043,356 and 73,030,936 units issued and outstanding at June 30, 2012 and December 31, 2011, respectively	480,027	491,876
General partner's interest	1	1
Accumulated other comprehensive loss	(2,884)	(2,388)
Total partners' capital	477,144	489,489
Total liabilities and partners' capital	$ 639,703	$ 659,309

See accompanying notes to condensed consolidated financial statements.

CVR Partners, LP and Subsidiary

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in thousands, except per unit data)			
Net sales	$ 81,431	$ 80,673	$ 159,707	$ 138,050
Operating costs and expenses:				
Cost of product sold (exclusive of depreciation and amortization)—Affiliates	2,532	2,866	5,522	4,335
Cost of product sold (exclusive of depreciation and amortization)—Third parties	8,193	6,880	17,801	12,902
	10,725	9,746	23,323	17,237
Direct operating expenses (exclusive of depreciation and amortization)—Affiliates	448	155	829	848
Direct operating expenses (exclusive of depreciation and amortization)—Third parties	22,076	22,111	44,532	44,442
	22,524	22,266	45,361	45,290
Insurance recovery—business interruption	—	—	—	(2,870)
Selling, general and administrative expenses (exclusive of depreciation and amortization)—Affiliates	5,218	3,249	9,037	9,647
Selling, general and administrative expenses (exclusive of depreciation and amortization)—Third parties	1,759	1,418	3,917	3,349
	6,977	4,667	12,954	12,996
Depreciation and amortization	5,158	4,648	10,596	9,285
Total operating costs and expenses	45,384	41,327	92,234	81,938
Operating income	36,047	39,346	67,473	56,112
Other income (expense):				
Interest expense and other financing costs	(1,020)	(1,238)	(2,223)	(1,238)
Interest income	65	22	98	29
Other income, net	28	86	34	57
Total other income (expense)	(927)	(1,130)	(2,091)	(1,152)
Income before income tax expense	35,120	38,216	65,382	54,960
Income tax expense	32	5	50	15
Net income	$ 35,088	$ 38,211	$ 65,332	$ 54,945
Net income subsequent to initial public offering (April 13, 2011 through June 30, 2011)		$ 30,849		$ 30,849
Net income per common unit—basic(1)	$ 0.48	$ 0.42	$ 0.89	$ 0.42
Net income per common unit—diluted(1)	$ 0.48	$ 0.42	$ 0.89	$ 0.42
Weighted-average common units outstanding:				
Basic	73,035	73,001	73,033	73,001
Diluted	73,194	73,044	73,195	73,044

(1) The Partnership operated under a different capital structure prior to the closing of its Initial Public Offering on April 13, 2011. As a result, the per unit data for the three and six months ended June 30, 2011 is calculated since the closing of the offering on April 13, 2011. See Note 8 to the condensed consolidated financial statements.

See accompanying notes to condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(unaudited) (in thousands)			
Net income	$ 35,088	$ 38,211	$ 65,332	$ 54,945
Other comprehensive income (loss):				
Change in fair value of interest rate swap	(726)	—	(961)	—
Reclass of gain/loss to income on settlement of interest rate swap	234	—	465	—
Other comprehensive income (loss)	(492)	—	(496)	—
Total comprehensive income	$ 34,596	$ 38,211	$ 64,836	$ 54,945

See accompanying notes to condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited) (in thousands)	
Cash flows from operating activities:		
Net income	$ 65,332	$ 54,945
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,596	9,285
Allowance for doubtful accounts	(18)	12
Amortization of deferred financing costs	478	211
Loss on disposition of fixed assets	7	631
Share-based compensation—Affiliates	3,792	5,518
Share-based compensation	253	—
Change in assets and liabilities:		
Accounts receivable	4,643	(847)
Inventories	597	(2,884)
Insurance receivable	—	(2,870)
Business interruption insurance proceeds	—	2,870
Prepaid expenses and other current assets	(652)	1,836
Other long-term assets	(163)	(1,484)
Accounts payable	646	(3,842)
Deferred revenue	(4,648)	(15,690)
Accrued expenses and other current liabilities	(725)	5,331
Other long-term liabilities	(275)	(2,828)
Net cash provided by operating activities	79,863	50,194
Cash flows from investing activities:		
Capital expenditures	(39,218)	(6,047)
Insurance proceeds from UAN reactor rupture	—	225
Net cash used in investing activities	(39,218)	(5,822)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	125,000
Payment of financing costs	—	(4,825)
Distributions to affiliates	(56,572)	(276,677)
Cash distribution to public unitholders—non-affiliates	(24,565)	—
Purchase of managing general partner incentive distribution rights	—	(26,000)
Proceeds from issuances of common units, net of offering costs	—	325,136
Redemption of common units	(89)	—
Net cash provided by (used in) financing activities	(81,226)	142,634
Net increase (decrease) in cash and cash equivalents	(40,581)	187,006
Cash and cash equivalents, beginning of period	236,975	42,745
Cash and cash equivalents, end of period	$ 196,394	$ 229,751
Supplemental disclosures:		
Cash paid for income taxes	$ 35	$ 20
Cash paid for interest, net of capitalized interest of $1,254 and $302 in 2012 and 2011, respectively	$ 2,103	$ 387
Non-cash investing and financing activities:		
Accrual of construction in progress additions	$ (2,766)	$ (1,649)

See accompanying notes to condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

	Common Units Issued	Amount	General Partner Interest	Accumulated Other Comprehensive Income/(Loss)	Total
		(unaudited) (in thousands, except unit data)			
Balance at December 31, 2011	73,030,936	$ 491,876	$ 1	$ (2,388)	$ 489,489
Cash distributions to Affiliates	—	(56,572)	—	—	(56,572)
Cash distributions to Public Unitholders	—	(24,565)	—	—	(24,565)
Share-based compensation—Affiliates	—	3,792	—	—	3,792
Share-based compensation	—	253	—	—	253
Issuance of units under LTIP—Affiliates	16,887	—	—	—	—
Redemption of common units	(4,467)	(89)	—	—	(89)
Net income	—	65,332	—	—	65,332
Net gains (losses) on interest rate swaps	—	—	—	(496)	(496)
Balance at June 30, 2012	73,043,356	$ 480,027	$ 1	$ (2,884)	$ 477,144

See accompanying notes to condensed consolidated financial statements.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

(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 subsidiary, "CVR Energy") to own Coffeyville Resources Nitrogen Fertilizers, LLC ("CRNF"), previously a wholly-owned subsidiary of CVR Energy. 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 ammonia and UAN. 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.

In October 2007, CVR Energy, through its wholly-owned subsidiary, Coffeyville Resources, LLC ("CRLLC"), transferred CRNF, which operated CRLLC's nitrogen fertilizer business, to the Partnership. The Partnership became the sole member of CRNF. In consideration for CRLLC transferring its nitrogen fertilizer business to the Partnership, (1) CRLLC directly acquired a 0.1% limited partner interest in the Partnership, (2) a wholly-owned subsidiary of CRLLC acquired a 99.9% general partner interest in the Partnership, and (3) CVR GP, LLC ("CVR GP"), then owned by CRLLC, acquired a managing general partner interest and incentive distribution rights ("IDRs") of the Partnership. Immediately prior to CVR Energy's initial public offering, CVR Energy sold the managing general partner interest (together with the IDRs) to Coffeyville Acquisition III LLC ("CALLC III"), an entity owned by funds affiliated with Goldman, Sachs & Co. (the "Goldman Sachs Funds") and Kelso & Company, L.P. (the "Kelso Funds") and members of CVR Energy's management team, for its fair market value on the date of sale. CVR Energy initially indirectly owned all of the interests in the Partnership (other than the managing general partner interest and the IDRs) and initially was entitled to all cash distributed by the Partnership.

Initial Public Offering of CVR Partners, LP

On April 13, 2011, CVR Partners completed its initial public offering (the "Initial Public Offering") of 22,080,000 common units priced at $16.00 per unit (such amount includes common units issued pursuant to the exercise of the underwriters' over-allotment option). The common units trade on the New York Stock Exchange under the symbol "UAN."

The net proceeds to CVR Partners from the Initial Public Offering (including the net proceeds from the exercise of the underwriters' over-allotment option) were approximately $324.2 million, after deducting underwriting discounts and commissions and offering expenses. The net proceeds from the Initial Public Offering were used as follows: approximately $18.4 million was used to make a distribution to CRLLC in satisfaction of the Partnership's obligation to reimburse CRLLC for certain capital expenditures CRLLC made with respect to the nitrogen fertilizer business prior to October 24, 2007; approximately $117.1 million was used to make a special distribution to CRLLC in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Initial Public Offering; approximately $26.0 million was used to purchase (and

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

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

subsequently extinguish) the IDRs owned by the general partner; approximately $4.8 million was used to pay financing fees and associated legal and professional fees resulting from the new credit facility and the balance was used for or will be used for general partnership purposes, including approximately $104.0 million to fund the continuation of the UAN expansion at the nitrogen fertilizer plant.

Immediately prior to the closing of the Initial Public Offering, the Partnership distributed approximately $54.0 million of cash on hand to CRLLC. In connection with the Initial Public Offering, the Partnership's special LP units were converted into common units, the Partnership's special GP units were converted into common units, and the Partnership's special general partner was merged with and into CRLLC, with CRLLC continuing as the surviving entity. Additionally, in conjunction with CVR GP selling its IDRs to the Partnership, which were then extinguished, CALLC III sold CVR GP to CRLLC for a nominal amount.

Registration Statement

The Partnership filed a registration statement with the Securities and Exchange Commission (the "SEC") on March 6, 2012, as amended on April 2, 2012, in which CRLLC planned to offer up to 11.5 million common units representing limited partner interests of the Partnership. On May 15, 2012, the Partnership withdrew the registration statement.

CVR Energy Transaction Agreement

On April 18, 2012, CVR Energy entered into a Transaction Agreement (the "Transaction Agreement") with IEP Energy LLC (the "Offeror"), a majority owned subsidiary of Icahn Enterprises, L.P. ("Icahn Enterprises") and certain other affiliates of Icahn Enterprises, and Carl C. Icahn (collectively with the Offeror, the "Offeror Parties"). Pursuant to the Transaction Agreement, the Offeror offered (the "Offer") to purchase all of the issued and outstanding shares of CVR Energy's common stock (the "Shares") for a price of $30 per Share in cash, without interest, less any applicable withholding taxes, plus one non-transferable contingent cash payment ("CCP") right for each Share which represents the contractual right to receive an additional cash payment per share if a definitive agreement for the sale of CVR Energy is executed on or before August 18, 2013 and such transaction closes.

On May 7, 2012, Offeror Parties announced that control of CVR Energy had been acquired through the Offer. As a result of Shares tendered into the Offer during the initial offering period, the subsequent offering period and subsequent additional purchases, the Offeror owned approximately 82.0% of the Shares of CVR Energy as of June 30, 2012.

Pursuant to the Transaction Agreement, for a period of 60 days CVR Energy solicited proposals or offers from third parties to acquire CVR Energy. The 60 day period began on May 24, 2012 and ended on July 23, 2012 without any qualifying offers.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

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

Operation of Partnership

Subsequent to the closing of the Initial Public Offering, common units held by public security holders represented approximately 30% of all outstanding limited partner interests and CRLLC held common units approximating 70% of all outstanding limited partner interests.

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 16 ("Related Party Transactions") for further discussion. In connection with the Initial Public Offering, certain of these agreements, including the amended and restated limited partnership agreement, were amended and/or restated. Additionally, in connection with the Initial Public Offering, the Partnership and CRNF were released from their obligations as guarantors under CRLLC's asset-backed revolving credit facility ("ABL credit facility") and the indentures which govern CRLLC's senior secured notes, as described further in Note 17 ("Commitments and Contingencies") of the Annual Report on Form 10-K for the year ended December 31, 2011.

(2) Basis of Presentation

The accompanying condensed consolidated financial statements of CVR Partners are comprised of the operations of CRNF's nitrogen fertilizer business. 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 SEC, including Article 3 of Regulation S-X, "General Instructions as to Consolidated Financial Statements."

The condensed consolidated financial statements include certain selling, general and administrative expenses (exclusive of depreciation and amortization) and direct operating expenses (exclusive of depreciation and amortization) that CVR Energy incurred on behalf of the Partnership. These related party transactions are governed by the amended and restated services agreement originally entered into in October 2007. See Note 16 ("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 cost that the Partnership would have incurred had it operated as an independent entity.

In the opinion of the Partnership's management, the accompanying unaudited condensed consolidated financial statements and related notes reflect all adjustments that are necessary to fairly present the financial position of the Partnership as of June 30, 2012 and December 31, 2011, the results of operations of the Partnership for the three and six months ended June 30, 2012 and 2011, comprehensive income for the three and six months ended June 30, 2012 and 2011, the cash flows of

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(2) Basis of Presentation (Continued)

the Partnership for the six months ended June 30, 2012 and 2011, and the changes in partners' capital for the Partnership for the six month period ended June 30, 2012.

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that reflect 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 ended December 31, 2012 or any other interim period.

The Partnership operated under a different capital structure prior to the closing of its Initial Public Offering on April 13, 2011. Per unit data for the three and six months ended June 30, 2011 is calculated since the closing of the Partnership's offering on April 13, 2011.

The Partnership has evaluated subsequent events that would require an adjustment to the Partnership's condensed consolidated financial statements or disclosure in the notes to the condensed consolidated financial statements through the date of issuance of the condensed consolidated financial statements.

(3) Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *"Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS,"* ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. ASU 2011-04 will be effective for interim and annual periods beginning after December 15, 2011. The Partnership adopted this standard on January 1, 2012. The adoption of this standard did not impact the condensed consolidated financial statement footnote disclosures.

In June 2011, the FASB issued ASU No. 2011-05, "*Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income*," ("ASU 2011-05") which amended former comprehensive income guidance. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of shareholders' equity. Instead, the Partnership must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. ASU 2011-05 is effective for interim and annual periods beginning after December 15, 2011 and is to be applied retrospectively. In December 2011, FASB deferred the effective date of the changes in ASU 2011-05 that relate to the presentation of reclassification adjustments to again consider whether to present reclassifications out of accumulated other comprehensive income on the face of the financials. This deferral does not impact the other requirements as of ASU 2011-05. The Partnership adopted this standard on January 1, 2012. The adoption of this standard expanded the Partnership's condensed consolidated financial statements and footnote disclosures.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(3) Recent Accounting Pronouncements (Continued)

In December 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-11 "Balance Sheet (Topic 210): *Disclosures about Offsetting Assets and Liabilities("ASU 2011-11")*, which requires new disclosure standards to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under IFRS. ASU 2011-11 will be effective for annual periods beginning January 1, 2013 and interim periods within those annual periods. The Partnership believes this standard will expand its condensed consolidated financial statement footnote disclosures.

(4) Share-Based Compensation

Certain employees of CRNF and employees of CVR Energy who perform services for the Partnership under the services agreement with CVR Energy are participants in equity compensation plans of CVR Partners' affiliates. Accordingly, CVR Partners has recorded compensation expense for these plans in accordance with Staff Accounting Bulletin, or 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 CVR Partners. For employees covered by the services agreement with 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 CVR Energy's share-based compensation and all expense amounts are reflected as an increase or decrease to Partners' Capital.

Prior to its initial public offering, CVR Energy was owned by Coffeyville Acquisition LLC ("CALLC"), which was principally owned by the Goldman Sachs Funds, the Kelso Funds and members of CVR Energy's management team. In connection with CVR Energy's initial public offering, CALLC was split into two entities: CALLC and Coffeyville Acquisition II LLC ("CALLC II"). In connection with this split, management's equity interest in CALLC, including both their common units and non-voting override units, were split so that half of management's equity interest was in CALLC and half was in CALLC II.

In February 2011, CALLC and CALLC II sold into the public market 11,759,023 shares and 15,113,254 shares, respectively, of CVR Energy's common stock, pursuant to a registered public offering. In May 2011, CALLC sold into the public market 7,988,179 shares of CVR Energy, pursuant to a registered public offering.

As a result, CALLC and CALLC II are no longer stockholders of CVR Energy. Subsequent to CALLC's and CALLC II's divestiture of ownership interest in CVR Energy, no additional share-based compensation expense will be incurred with respect to override units and phantom units after each respective divestiture date. The final fair values of the override units of CALLC and CALLC II were derived based upon the values resulting from the proceeds received associated with each entity's respective divestiture of its ownership in CVR Energy. These values were utilized to determine the related compensation expense for the unvested units.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(4) Share-Based Compensation (Continued)

The final fair values of the CALLC and CALLC II override units were derived based upon the values resulting from the proceeds received associated with CALLC and CALLC II's divestitures of their remaining shares of CVR Energy and attributable to the unvested units on the associated dates.

The final fair value of the CALLC III override units was derived based upon the value resulting from the proceeds received by the managing GP upon the purchase of the IDR's by the Partnership. These proceeds were subsequently distributed to the owners of CALLC III which included the override unitholders. This value was utilized to determine the related compensation expense for the unvested units. Subsequent to June 30, 2011, no additional share-based compensation will be incurred with respect to override units of CALLC III due to the complete distribution of the proceeds received by the managing GP prior to July 1, 2011. For the three and six months ended June 30, 2011, the estimated fair value of the override units of CALLC III was determined using a probability-weighted expected return method which utilized CALLC III's cash flow projections, which were considered representative of the nature of interests held by CALLC III in the Partnership.

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

Award Type	Benchmark Value (per Unit)	Original Awards Issued	Grant Date	Compensation Expense Increase (Decrease) for the Three Months Ended June 30, 2011	Compensation Expense Increase (Decrease) for the Six Months Ended June 30, 2011
				(in thousands)	
Override Value Units(a)	$ 11.31	1,839,265	June 2005	$ 17	$ 1,495
Override Value Units(b)	$ 34.72	144,966	December 2006	(9)	225
Override Units(c)	$ 10.00	642,219	February 2008	58	143
			Total	$ 66	$ 1,863

Due to the divestiture of all ownership in CVR Energy by CALLC and CALLC II and due to the purchase of the IDRs from CVR GP and the distribution to CALLC III, there is no associated unrecognized compensation expense as of June 30, 2012.

Phantom Unit Plans

CVR Energy, through CRLLC, has two Phantom Unit Appreciation Plans (the "Phantom Unit Plans") whereby directors, employees and service providers were awarded phantom points at the discretion of the board of directors or the compensation committee. Holders of service phantom points had rights to receive distributions when holders of override operating units receive distributions. Holders of performance phantom points had rights to receive distributions when CALLC and CALLC II holders of override value units received distributions. Compensation expense for the three months ended June 30, 2012 and 2011 related to the Phantom Unit Plans was approximately $0.0 and $(0.1) million, respectively. Compensation expense for the six months ended June 30, 2012 and 2011 related to the Phantom Unit Plans was approximately $0.0 and $2.0 million, respectively. Due to the divestiture of all ownership of CVR Energy by CALLC and CALLC II in 2011, there is no unrecognized compensation expense associated with the Phantom Unit Plans at June 30, 2012.

(4) Share-Based Compensation (Continued)

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 share units, dividend equivalent rights, share awards and performance awards (including performance share units, performance units and performance based restricted stock). As of June 30, 2012, only restricted shares of CVR Energy common stock and stock options had been granted under the CVR Energy LTIP. Individuals who are eligible to receive awards and grants under the CVR Energy LTIP include CVR Energy's or its subsidiaries' (including CRNF) employees, officers, consultants and directors.

Restricted Shares

Through the CVR Energy LTIP, shares of restricted common stock have been granted to employees of CVR Energy and CRNF. Restricted shares, when granted, are valued at the closing market price of CVR Energy's common stock on the date of issuance and amortized to compensation expense on a straight-line basis over the vesting period of the common stock. These shares generally vest over a three-year period.

The Transaction Agreement, as discussed in Note 1, triggered a modification to the treatment of outstanding restricted stock awards pursuant to the CVR Energy LTIP. Pursuant to the Transaction Agreement, all restricted stock awards that vest in 2012 will vest in accordance with the current vesting terms, but upon vesting will be converted to a cash award in which the recipient will receive the offer price of $30 per share in cash plus one CCP. For all such awards that vest in accordance with their terms in 2013, 2014 and 2015, the holders of the awards will receive a cash award equal to the lesser of the offer price or the appraised value of the shares at the time of vesting. As a result of the modification, additional share-based compensation of $1.9 million was incurred to revalue the unvested shares to the fair value upon the date of modification. For awards vesting subsequent to 2012, 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, 2012, there was approximately $3.0 million of total unrecognized compensation cost related to restricted shares to be recognized over a weighted-average period of approximately two years. Inclusion of the vesting table is not considered 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 shares and respective allocation percentage for individuals whom, as of June 30, 2012, compensation expense has been allocated to the Partnership.

Compensation expense recorded for the three months ended June 30, 2012 and 2011, related to the restricted shares, was approximately $2.4 million and $0.7 million, respectively. Compensation expense recorded for the six months ended June 30, 2012 and 2011, related to the restricted shares, was approximately $3.0 million and $1.3 million, respectively.

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

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(4) Share-Based Compensation (Continued)

eligible to receive awards under the CVR Partners LTIP include CVR Partners', its subsidiaries' and its parent's employees, officers, consultants and directors. The CVR Partners LTIP provides for the grant of options, unit appreciation rights, distribution equivalent rights, restricted units, phantom units and other unit-based awards, each in respect of common units. The maximum number of common units issuable under the CVR Partners LTIP is 5,000,000.

Through CVR Partners LTIP, phantom and common units have been awarded to employees of the Partnership and the general partner. Phantom unit awards made to employees 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 made to employees of CRNF are valued on the grant date and amortized over the vesting period. These units generally vest over a three year period. As of June 30, 2012, there was approximately $2.2 million of total unrecognized compensation cost related to the units to be recognized over a weighted-average period of two years. Compensation expense recorded for the three months ended June 30, 2012 and 2011 related to the units was approximately $0.4 million and $0.3 million, respectively. Compensation expense recorded for the six months ended June 30, 2012 and 2011 related to the units was approximately $1.1 million and $0.3 million, respectively.

A summary of the Partnership's unit activity during the six months ended June 30, 2012 is presented below:

	Units	Weighted-Average Grant Date Fair Value
	(in thousands)	
Non-vested at January 1, 2012	164,571	$ 22.99
Granted	—	—
Vested	(16,887)	19.74
Forfeited	—	—
Non-vested at June 30, 2012	147,684	$ 23.36

(5) Inventories

Inventories consist of fertilizer products which are valued at the lower of first-in, first-out ("FIFO") cost, or market. Inventories also include raw materials, catalysts, parts and supplies, which are valued at the lower of moving-average cost, which approximates FIFO, or market. The cost of inventories includes inbound freight costs.

Inventories consisted of the following:

	June 30, 2012	December 31, 2011
	(in thousands)	
Finished goods	$ 6,065	$ 6,130
Raw materials and precious metals	4,384	4,578
Parts and supplies	12,209	12,547
	$ 22,658	$ 23,255

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(6) Property, Plant, and Equipment

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

	June 30, 2012	December 31, 2011
	(in thousands)	
Land and improvements	$ 2,611	$ 2,563
Buildings	815	815
Machinery and equipment	398,361	397,433
Automotive equipment	391	391
Furniture and fixtures	258	261
Railcars	2,496	2,496
Construction in progress	86,877	51,410
	$ 491,809	$ 455,369
Accumulated depreciation	124,450	113,874
Total net, property, plant and equipment	$ 367,359	$ 341,495

Capitalized interest recognized as a reduction of interest expense for the three months ended June 30, 2012 and 2011 totaled approximately $0.7 million and $0.3 million, respectively. Capitalized interest recognized as a reduction of interest expense for the six months ended June 30, 2012 and 2011 totaled approximately $1.3 million and $0.3 million, respectively.

(7) Partners' Capital and Partnership Distributions

In connection with the Initial Public Offering that closed on April 13, 2011, the Partnership's special LP units were converted into common units, the Partnership's special GP units were converted into common units, and the Partnership's special general partner was merged with and into CRLLC, with CRLLC continuing as the surviving entity. In addition, CVR GP sold its IDRs to the Partnership and the IDRs were extinguished, and CALLC III sold CVR GP to CRLLC. Following the Initial Public Offering, 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 CVR GP, the general partner.

At June 30, 2012, the Partnership had a total of 73,043,356 common units issued and outstanding, of which 50,920,000 common units were owned by CRLLC, representing approximately 70% of the total Partnership units outstanding.

The board of directors of the general partner has adopted a policy pursuant to which the Partnership will distribute all of the available cash it generates each quarter. Cash distributions will be made to the common unitholders of record on the applicable record date, generally within 45 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 equal the Partnership's cash flow from operations for the quarter, less cash needed for maintenance

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(7) Partners' Capital and Partnership Distributions (Continued)

capital expenditures, debt service and other contractual obligations, and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate. The Partnership also retains the cash on hand associated with prepaid sales at each quarter end for future distributions to common unitholders based upon the recognition into income of the prepaid sales.

During the three and six month periods ended June 30, 2012, the Partnership paid cash distributions to the unitholders of approximately $38.2 million and $81.1 million, respectively, representing a $0.588 per unit distribution for the quarter ended December 31, 2011, and a $0.523 per unit distribution for the quarter ended March 31, 2012. See Note 18 ("Subsequent Events") concerning distributions declared on July 26, 2012 for the three month period ended June 30, 2012.

(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 phantom units and unvested common 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.

The following table illustrates the Partnership's calculation of net income per common unit (in thousands, except per unit information):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income(1)	$ 35,088	$ 30,849	$ 65,332	$ 30,849
Net income per common unit, basic	$ 0.48	$ 0.42	$ 0.89	$ 0.42
Net income per common unit, diluted	$ 0.48	$ 0.42	$ 0.89	$ 0.42
Weighted-average common units outstanding, basic	73,035	73,001	73,033	73,001
Weighted-average common units outstanding, diluted	73,194	73,044	73,195	73,044

(1) The Partnership operated under a different capital structure prior to the closing of its Initial Public Offering on April 13, 2011. Per unit data for the three and six months ended June 30, 2011 is calculated since the closing of the Partnership's offering on April 13, 2011.

(9) Cost Classifications

Cost of product sold (exclusive of depreciation and amortization) includes cost of pet coke expense and freight and distribution expenses. For the three and six months ended June 30, 2012, there was $25,000 and $50,000, respectively, in depreciation expense incurred related to the cost of product sold.

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(9) Cost Classifications (Continued)

There was no amount of depreciation related to the cost of product sold expense incurred for the three and six months ended June 30, 2011.

Direct operating expenses (exclusive of depreciation and amortization) includes direct costs of labor, maintenance and services, energy and utility costs, property taxes, and environmental compliance costs as well as chemical and catalyst and other direct operating expenses. Direct operating expenses also include allocated non-cash share-based compensation expense from CVR Energy and CALLC III, as discussed in Note 4 ("Share-Based Compensation"). Direct operating expenses exclude depreciation and amortization of approximately $5.1 million and $4.6 million for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, direct operating expenses exclude depreciation and amortization of approximately $10.5 million and $9.3 million, respectively.

Selling, general and administrative expenses (exclusive of depreciation and amortization) consist primarily of direct and allocated legal, treasury, accounting, marketing, human resources and the cost of maintaining the corporate offices in Texas and Kansas. Selling, general and administrative expenses also include allocated non-cash share-based compensation expense from CVR Energy and CALLC III, as discussed in Note 4 ("Share-Based Compensation"). Selling, general and administrative expenses exclude depreciation and amortization, amounts which are nominal for all of the periods presented.

(10) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities were as follows:

	June 30, 2012	December 31, 2011
	(in thousands)	
Property taxes	$ 7,137	$ 7,025
Capital asset and dismantling obligation	—	4,187
Other current liabilities (interest rate swap)	927	905
Accrued interest	524	885
Other accrued expenses and liabilities(1)	1,165	1,820
	$ 9,753	$ 14,822

(1) Other accrued expenses and liabilities include amounts owed by the Partnership to Coffeyville Resources Refining & Marketing, LLC ("CRRM"), a related party, under the feedstock and shared services agreement. See Note 16 ("Related Party Transactions") for additional discussion of amounts the Partnership owes related to the feedstock and shared services agreement.

(11) Nitrogen Fertilizer Incident

On September 30, 2010, the nitrogen fertilizer plant experienced an interruption in operations due to a rupture of a high-pressure UAN vessel. All operations at the nitrogen fertilizer facility were

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(11) Nitrogen Fertilizer Incident (Continued)

immediately shut down. No one was injured in the incident. Repairs to the facility as a result of the rupture were substantially complete as of December 31, 2010.

Total gross costs incurred as of June 30, 2012 due to the incident were approximately $11.5 million for repairs and maintenance and other associated costs. Approximately $0.0 and $0.2 million of these costs were recognized during the three months ended June 30, 2012 and 2011, respectively. Approximately $0.1 million and $0.6 million of these costs were recognized during the six months ended June 30, 2012 and 2011, respectively. The repairs and maintenance costs incurred are included in direct operating expenses (exclusive of depreciation and amortization). Of the gross costs incurred, approximately $4.5 million was capitalized in 2010, approximately $0.1 million was capitalized in 2011 and approximately $0.1 million was capitalized in 2012.

As of June 30, 2012, approximately $7.0 million of insurance proceeds have been received under the property damage insurance related to this incident. This amount was received prior to December 31, 2011. The recording of the insurance proceeds resulted in a reduction of direct operating expenses (exclusive of depreciation and amortization) when received.

The insurance policies also provide coverage for interruption to the business, including lost profits, and reimbursement for other expenses and costs the Partnership has incurred relating to the damage and losses suffered for business interruption. This coverage, however, only applies to losses incurred after a business interruption of 45 days. Partial business interruption claims were filed during 2011 resulting in receipt of proceeds totalling $3.4 million for the year ended December 31, 2011. Of this amount, $2.9 million was reported for the six months ended June 30, 2011. The proceeds associated with the business interruption claim are included on the Consolidated Statements of Operations under Insurance recovery—business interruption.

(12) Credit Facility

Concurrently with the closing of the Initial Public Offering, on April 13, 2011, CRNF as borrower and CVR Partners as guarantor, 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. No amounts were outstanding under the revolving credit facility at June 30, 2012. There is no scheduled amortization and the credit facility matures in April 2016. The revolving credit facility will be used to finance on-going working capital, capital expenditures, letters of credit issuances and general needs of the Partnership. The Partnership, upon the closing of the credit facility, made a special distribution to CRLLC of approximately $87.2 million in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Initial Public Offering.

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 3.5% or, for base rate loans, the prime rate plus 2.5%. Under its terms, the lenders under

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(12) Credit Facility (Continued)

the credit facility were granted a perfected, 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 that limit, subject to certain exceptions, the incurrence of additional indebtedness or guarantees, the creation of liens on assets, and the Partnership's ability to dispose of assets, make restricted payments, investments or acquisitions, enter into sale-leaseback transactions or enter into affiliate transactions. 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, 2012, CRNF was in compliance with the covenants contained in the credit facility.

In connection with the credit facility, the Partnership incurred lender and other third-party costs of approximately $4.8 million. The costs associated with the credit facility have been deferred and are being amortized over the term of the credit facility as interest expense using the effective-interest amortization method for the term loan facility and the straight-line method for the revolving credit facility.

(13) Interest Rate Swap

On June 30 and July 1, 2011 CRNF entered into 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 12 ("Credit Facility"). The aggregate notional amount covered under these agreements totals $62.5 million (split evenly between the two agreement dates) and commenced on August 12, 2011 and expires on February 12, 2016. Under the terms of the interest rate swap agreement entered into on June 30, 2011, CRNF receives a floating rate based on three month LIBOR and pays a fixed rate of 1.94%. Under the terms of the interest rate swap agreement entered into on July 1, 2011, CRNF receives a floating rate based on three month LIBOR and pays a fixed rate of 1.975%. Both swap agreements will be 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 governed by the CRNF credit agreement. At June 30, 2012, the effective rate was approximately 4.60%. The agreements were designated as cash flow hedges at inception and accordingly, the effective portion of the unrealized 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. The ineffective portion of the gain or loss will be recognized immediately in current interest expense. The realized loss on the interest rate swap re-classed from AOCI into interest expense was $0.2 million and $0.5 million for the three and six months ended June 30, 2012.

CVR Partners, LP and Subsidiary

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(14) Income Taxes

CVR Partners is treated as a partnership for U.S. federal income tax purposes. Generally, each common unitholder is required to take into account its respective share of CVR Partners' income, gains, loss and deductions. The Partnership is not subject to income taxes, except for a franchise tax in the state of Texas. The income tax liability of the common unitholders is not reflected in the condensed consolidated financial statements of the Partnership.

(15) 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, 2012	$ 2,909	$ 10,754
Year ending December 31, 2013	6,037	28,844
Year ending December 31, 2014	4,678	23,192
Year ending December 31, 2015	4,200	22,745
Year ending December 31, 2016	3,812	23,279
Thereafter	8,206	205,876
	$ 29,842	$ 314,690

(1) The Partnership's purchase obligation for pet coke from CVR Energy has been derived from a calculation of the average pet coke price paid to CVR Energy over the preceding two year period.

CRNF leases various equipment and facilities, including railcars, under long-term operating leases which expire on various dates. Lease expense for the three months ended June 30, 2012 and 2011 totaled approximately $1.1 million and $1.0 million, respectively. Lease expense for the six months ended June 30, 2012 and 2011 totaled approximately $2.1 million and $2.0 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. Additionally, in the normal course of business, the Partnership has long-term commitments to purchase raw materials, electricity and storage and handling services.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

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. Management believes the Partnership has accrued for losses for which it may ultimately be responsible. It is possible that management's estimates of the outcomes will change within the next year due to uncertainties inherent in litigation and settlement negotiations. In the opinion of management, the ultimate resolution of any other litigation matters is not expected to have a material adverse effect on the accompanying condensed consolidated financial statements. There can be no assurance that management's beliefs or opinions with respect to liability for potential litigation matters are accurate.

CRNF received a ten year property tax abatement from Montgomery County, Kansas in connection with the construction of the nitrogen fertilizer plant that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed CRNF's nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment resulted in an increase in CRNF's annual property tax expense by an average of approximately $10.7 million per year for the years ended December 31, 2008 and December 31, 2009, $11.7 million for the year ended December 31, 2010 and $11.4 million for the year ended December 31, 2011. CRNF does not agree with the county's classification of its nitrogen fertilizer plant and has been disputing it before the Kansas Court of Tax Appeals, or COTA. However, CRNF has fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2011, 2010, 2009 and 2008 and has estimated and accrued for property tax for the first six months of 2012. This property tax expense is reflected as a direct operating expense in the financial results. In January 2012 COTA issued a ruling indicating that the assessment in 2008 of CRNF's fertilizer plant as almost entirely real property instead of almost entirely personal property was appropriate. CRNF disagrees with the ruling and filed a petition for reconsideration with COTA (which was denied) and then filed an appeal to the Kansas Court of Appeals. CRNF is also appealing the valuation of the CRNF fertilizer plant for tax years 2009 through 2012, which cases remain pending before COTA. If CRNF is successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then a portion of the accrued and paid property tax expenses would be refunded to CRNF, which could have a material positive effect on the results of operations. If CRNF is not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then CRNF expects that it will continue to pay property taxes at elevated rates.

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. All liabilities are monitored and adjusted regularly as new facts emerge or changes in law or technology occur.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(15) Commitments and Contingencies (Continued)

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.

From time to time, the United States Environmental Protection Agency ("EPA") has conducted inspections and issued information requests to CRNF with respect to CRNF's compliance with the Clean Air Act's "Risk Management Program" and the release reporting requirements under the Comprehensive Environmental Response, Compensation, and Liability Act and the Emergency Planning and Community Right-to-Know Act. These previous investigations have resulted in the issuance of preliminary findings regarding CRNF's compliance status. In the fourth quarter of 2010, following CRNF's reported release of ammonia from its cooling water system and the rupture of its UAN vessel (which released ammonia and other regulated substances) the EPA conducted its most recent inspection and issued an additional request for information to CRNF. The EPA has not made any formal claims against CRNF and CRNF has not accrued for any liability associated with the investigations or releases.

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

EHS expenditures are capitalized when such expenditures are expected to result in future economic benefits. Capital expenditures for the three months ended June 30, 2012 and 2011 were approximately \$33,000 and \$27,000, respectively. Capital expenditures for the six months ended June 30, 2012 and 2011 were approximately \$0.2 million and \$0.2 million, respectively. These expenditures were incurred to improve the environmental compliance and efficiency of the operations. CRNF believes it is in substantial compliance with existing EHS rules and regulations. There can be no assurance that the EHS matters described above or other EHS matters which may develop in the future will not have a material adverse effect on the business, financial condition, or results of operations of the Partnership.

(16) Related Party Transactions

Registration Rights Agreement

The Partnership filed a registration statement with the SEC on March 6, 2012, as amended April 2, 2012, in which CRLLC planned to offer up to 11.5 million common units representing limited partner interests of the Partnership. On May 15, 2012, the Partnership withdrew the registration statement. For the three and six months ended June 30, 2012, the Partnership recognized approximately \$0.1 million and \$0.7 million, respectively, in expenses related to this registration statement for the benefit of CRLLC 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.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

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 amended and restated on April 13, 2011 in connection with the Initial Public Offering. The agreements are described as in effect at June 30, 2012. 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.

Feedstock and Shared Services Agreement

CRNF entered into a feedstock and shared services agreement with CRRM 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 agreement, CRNF and CRRM have the obligation to transfer excess hydrogen (hydrogen determined not to be needed to meet the current anticipated operational requirements of the facility transferring the hydrogen) to one another. 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 (exclusive of depreciation and amortization) for CVR Partners. For the three months ended June 30, 2012 and 2011, the net sales generated from the sale of hydrogen to CRRM were approximately $0.0 and $6.1 million, respectively. For the six months ended June 30, 2012 and 2011, the net sales generated from the sale of hydrogen to CRRM were approximately $5.7 million and $6.1 million, respectively. For the three months ended June 30, 2012 and 2011, CVR Partners also recognized $0.1 million and $0.0 of cost of product sold (exclusive of depreciation and amortization) related to the transfer of excess hydrogen from the refinery, respectively. For the six months ended June 30, 2012 and 2011, CVR Partners also recognized $0.1 million and $0.7 million of cost of product sold (exclusive of depreciation and amortization) related to the transfer of excess hydrogen from the refinery, respectively. At June 30, 2012 and December 31, 2011, there were approximately $0.0 and $0.1 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.

The agreement provides that both parties must deliver high-pressure steam to one another under certain circumstances. Net reimbursed or (paid) direct operating expenses recorded during the three months ended June 30, 2012 and 2011 were approximately $(9,000) and $(35,000), respectively, related to high-pressure steam. Net reimbursed or (paid) direct operating expenses recorded during the six months ended June 30, 2012 and 2011 were approximately $(44,000) and $(211,000), respectively,

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

related to high-pressure steam. Reimbursements or paid amounts for each period on a gross basis were nominal.

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, 2012 and 2011, were approximately $0.4 million and $0.3 million, respectively. Reimbursed direct operating expenses associated with nitrogen for the six months ended June 30, 2012 and 2011, were approximately $0.9 million and $0.7 million, respectively. No amounts were paid by CRNF to CRRM for any of the years.

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, 2012 and 2011, there were net sales of approximately $8,000 and $39,000 generated from the sale of tail gas to CRRM. For the six months ended June 30, 2012 and 2011, there were net sales of approximately $34,000 and $39,000, respectively, generated from the sale of tail gas to CRRM.

In April 2011, in connection with the tail gas stream, CRRM installed a pipe between the Coffeyville, Kansas refinery and the nitrogen fertilizer plant to transfer the tail gas. CRNF has agreed to pay CRRM the cost of installing the pipe over the next three years and to provide an additional 15% to cover the cost of capital in the fourth year. At June 30, 2012, there was an asset of approximately $0.2 million included in other current assets, approximately $1.4 million included in other non-current assets, an offset liability of approximately $0.5 million in other current liabilities and approximately $0.6 million of other non-current liabilities in the Condensed Consolidated Balance Sheet.

CRNF also provided finished product tank capacity to CRRM under the agreement. Approximately $0.0 and $0.1 million was reimbursed by CRRM for the use of tank capacity for the three months ended June 30, 2012 and June 30, 2011, respectively. Approximately $0.1 million and $0.1 million was reimbursed by CRRM for the use of tank capacity for the six months ended June 30, 2012 and June 30, 2011, respectively. This reimbursement was recorded as a reduction 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, 2012 and December 31, 2011, receivables of $0.1 million and $0.3 million, respectively, were included in prepaid expenses and other current assets on the Condensed Consolidated Balance

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

Sheets associated with amounts yet to be received related to components of the feedstock and shared services agreement other than amounts related to hydrogen sales. At June 30, 2012 and December 31, 2011, payables of $0.2 million and $0.3 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 the Partnership 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 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. The pet coke price index refers to a global petroleum publication that contains regional pricing information.

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.

Cost of pet coke associated with the transfer of pet coke from CRRM to CRNF was approximately $2.3 million and $2.9 million for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, cost of pet coke associated with the transfer of pet coke from CRRM to CRNF was approximately $5.2 million and $3.6 million, respectively. Payables of $0.8 million and $1.0 million related to the coke supply agreement were included in accounts payable on the Condensed Consolidated Balance Sheets at June 30, 2012 and December 31, 2011, respectively.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

Terminal Operating and Lease Agreement

On May 4, 2012, CRNF entered into an operating and lease agreement with Coffeyville Resources Terminal, LLC ("CRT"), pursuant to which CRNF leases certain premises from CRT located at Phillipsburg, Kansas to be utilized as a UAN terminal. CRT also operates the terminal on behalf of CRNF. The agreement has an initial term of 20 years and will automatically be extended for successive five year renewal periods; provided, CRNF may terminate the agreement at any time by providing 180 days' prior written notice. CRNF pays CRT $1.00 per year for rent, $4.00 per ton of UAN placed into the terminal and $4.00 per ton of UAN taken out of the terminal.

Railcar Lease Agreement

Since March 2009, the Partnership has leased 200 railcars from American Railcar Leasing LLC, a company controlled by Mr. Carl Icahn, CVR Energy's majority stockholder. The agreement is scheduled to expire on March 31, 2014. For the three and six months ended June 30, 2012, $0.3 million and $0.5 million, respectively, of rent expense was recorded related to this agreement and is included in cost of product sold (exclusive of depreciation and amortization) in the Condensed Consolidated Statements of Operations.

Lease Agreement

CRNF entered into a lease agreement with CRRM under which it leases certain office and laboratory space. The initial term of the lease will expire in October 2017, provided, however, that CRNF may terminate the lease at any time during the initial term by providing 180 days prior written notice. In addition, CRNF has the option to renew the lease agreement for up to five additional one-year periods by providing CRRM with notice of renewal at least 60 days prior to the expiration of the then existing term. For the three months ended June 30, 2012 and 2011, expense incurred related to the use of the office and laboratory space totalled approximately $26,000 and $27,000, respectively. For the six months ended June 30, 2012 and 2011, expense incurred related to the use of the office and laboratory space totalled approximately $52,000 and $51,000, respectively. There were no unpaid amounts with respect to the lease agreement as of June 30, 2012 and December 31, 2011, 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

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

contamination or releases are 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, and 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 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 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

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

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', 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, 2012 and 2011 were approximately $2.5 million and $2.7 million, respectively. Of these charges approximately $1.8 million and $2.2 million, respectively, were included in selling, general and administrative expenses (exclusive of depreciation and amortization). In addition, $0.7 million and $0.4 million, respectively, are included in direct operating expenses (exclusive of depreciation and amortization). Net amounts incurred under the services agreement for the six months ended June 30, 2012 and 2011 were approximately $5.0 million and $5.3 million, respectively. Of these charges approximately $3.5 million and $4.4 million, respectively, are included in selling, general and administrative expenses (exclusive of depreciation and amortization). In addition, $1.5 million and $1.0 million, respectively, were included in direct operating expenses (exclusive of depreciation and amortization). For services performed in connection with the services agreement, the Partnership recognized personnel costs of $0.8 million and $1.4 million, respectively, for the three months ended June 30, 2012 and 2011. For services performed in connection with the services agreement, the Partnership recognized personnel costs of $1.6 million and $2.7 million, respectively, for the six months ended June 30, 2012 and 2011. At June 30, 2012 and December 31, 2011, payables of $1.6 million and $0.7 million, respectively, were included in accounts payable on the Condensed Consolidated Balance Sheets with respect to amounts billed in accordance with the services agreement.

GP Services Agreement

The Partnership is party to a GP Services Agreement dated November 29, 2011 between the Partnership, CVR GP and CVR Energy. This agreement allows CVR Energy to engage CVR GP, in its capacity as the Partnership's general partner, to provide CVR Energy with (i) business development and related services and (ii) advice or recommendations for such other projects as may be agreed between the Partnership's general partner and CVR Energy from time to time. As payment for 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 the Partnership's 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. Pursuant to this GP Services

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

Agreement, one of the Partnership's executive officers has performed business development services for CVR Energy from time to time.

CVR Energy is not required to pay any compensation, salaries, bonuses or benefits to any of the Partnership's general partner's employees who provide services to CVR Energy on a full-time or part-time basis; the Partnership will continue to pay their compensation.

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. The Partnership's general partner also has the right to delegate the performance of some or all of the services to be provided pursuant to the agreement to one of its affiliates or any other person or entity, though such delegation does not relieve the Partnership's general partner from its obligations under the agreement. Either CVR Energy or the Partnership's general partner may terminate the agreement upon at least 180 days', but not more than one year's, notice. Furthermore, CVR Energy may terminate the agreement immediately if the Partnership, or its general partner, become bankrupt, or dissolve and commence liquidation or winding-up.

Limited Partnership Agreement

In connection with the Initial Public Offering, CVR GP and CRLLC entered into the second amended and restated agreement of limited partnership of the Partnership, dated April 13, 2011.

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 by the unitholders. 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 incurred for the three months ended June 30, 2012 and 2011 approximately $1.0 million and $0.1 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, 2012 and 2011, approximately $1.9 million and $0.1 million were incurred related to amounts due for reimbursement, respectively. At June 30, 2012 and December 31, 2011, payables of $0.9 million and $0.8 million, respectively, were included in personnel accruals related to personnel costs on the Condensed Consolidated Balance Sheets with respect to amounts outstanding in accordance with the limited partnership agreement.

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(16) Related Party Transactions (Continued)

Distributions to CRLLC

The Partnership distributed $26.6 million and $56.6 million to CRLLC during the three and six months ended June 30, 2012, respectively, as regular distributions on CRLLC's ownership of common units. The Partnership made cash distributions of approximately $276.7 million to CRLLC prior to and at the time of the Partnership's Initial Public Offering.

(17) Fair Value of Financial Instruments

The book values of cash and cash equivalents, accounts receivable and accounts payable are considered to be representative of their respective fair values due to the immediate short—term maturity of these financial instruments. The carrying value of the Partnership's debt approximates fair value.

The fair values of financial instruments are estimated based upon current market conditions and quoted market prices for the same or similar instruments. Management estimates that the carrying value approximates fair value for all of the Partnerships' assets and liabilities that fall under the scope of ASC 825, *Financial Instruments* (ASC825).

Fair value measurements are derived using inputs (assumptions that market participants would use in pricing an asset or liability) including assumptions about risk. FASB ASC 820 categorizes inputs used in fair value measurements into three broad levels as follows:

- (Level 1) Quoted prices in active markets for identical assets or liabilities.
- (Level 2) Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, similar assets and liabilities in markets that are not active or can be corroborated by observable market data.
- (Level 3) Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes valuation techniques that involve significant unobservable inputs.

The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, as of June 30, 2012 and December 31, 2011.

	June 30, 2012			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Location and Description				
Cash equivalents (money market account)	$ 160,121	$ —	$ —	$ 160,121
Other current assets (marketable securities)	—	—	—	—
Total Assets	$ 160,121	$ —	$ —	$ 160,121
Other current liabilities (interest rate swap)	$ —	$ 927	$ —	$ 927
Other long-term liabilities (interest rate swap)	$ —	$ 1,957	$ —	$ 1,957
Total Liabilities	$ —	$ 2,884	$ —	$ 2,884
Accumulated other comprehensive loss (interest rate swap)	$ —	$ 2,884	$ —	$ 2,884

CVR PARTNERS, LP AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(unaudited)

(17) Fair Value of Financial Instruments (Continued)

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Location and Description				
Cash equivalents (money market account)	$ 160,030	$ —	$ —	$ 160,030
Other current assets (marketable securities)	—	—	—	—
Total Assets	$ 160,030	$ —	$ —	$ 160,030
Other current liabilities (interest rate swap)	$ —	$ 905	$ —	$ 905
Other long-term liabilities (interest rate swap)	$ —	$ 1,483	$ —	$ 1,483
Total Liabilities	$ —	$ 2,388	$ —	$ 2,388
Accumulated other comprehensive loss (interest rate swap)	$ —	$ 2,388	$ —	$ 2,388

As of June 30, 2012 and December 31, 2011, 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 an interest rate swap that is measured at fair value on a recurring basis using Level 2 inputs (see Note 13 "Interest Rate Swap"). The Partnership had no transfers of assets or liabilities between any of the above levels during the three and six months ended June 30, 2012.

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.

(18) Subsequent Events

Distribution

On July 26 2012, the Board of Directors of the Partnership's general partner declared a cash distribution for the second quarter of 2012 to the Partnership's unitholders of $0.60 per unit. The cash distribution will be paid on August 14, 2012 to unitholders of record at the close of business on August 7, 2012.

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 condensed consolidated financial statements and related notes and with the statistical information and financial data appearing in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, as well as the Partnership's Annual Report on Form 10-K for the year ended December 31, 2011 and filed with the Securities and Exchange Commission ("SEC") on February 23, 2012. Results of operations for the three and six months ended June 30, 2012 are not necessarily indicative of results to be attained for any other period.

Forward-Looking Statements

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

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

Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, are reasonable, we can give no assurance that such plans, intentions or expectations will be achieved. These statements are based on assumptions made by us based on our experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate in the circumstances. Such statements are subject to a number of risks and uncertainties, many of which are beyond our control. You are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements as a result of various factors, including but not limited to those set forth under "Risk Factors" in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2011. Such factors include, among others:

- our ability to make cash distributions on the 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;
- adverse weather conditions, including potential floods and other natural disasters;
- 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 Energy;
- 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 business;
- 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 existing and future regulations related to 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 both us and CVR Energy;
- risks relating to evaluations of internal controls required by Section 404 of the Sarbanes-Oxley Act;
- risks relating to our relationships with CVR Energy, including the effect of a change of control at CVR Energy;
- 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. income or state tax purposes; and
- instability and volatility in the capital and credit markets.

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

Partnership Overview

Overview

We are a Delaware limited partnership formed by CVR Energy, Inc. to own, operate and grow our nitrogen fertilizer business. Strategically located adjacent to CVR Energy'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. Our facility includes a 1,225 ton-per-day ammonia unit, a 2,025 ton-per-day UAN unit, and a gasifier complex having a capacity of 84 million standard cubic feet per day 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. We upgrade a majority of the ammonia we produce to higher margin UAN fertilizer, an aqueous solution of urea and ammonium nitrate that has historically commanded a premium price over ammonia. In 2011, we produced 411,189 tons of ammonia, of which approximately 72% was upgraded into 714,130 tons of UAN. For the three and six months ended June 30, 2012, we produced 108,898 and 198,178 tons of ammonia, respectively, of which approximately 68% and 70%, respectively, was upgraded into 180,024 and 334,603 tons of UAN, respectively.

We are expanding our existing asset base and utilizing the experience of our and CVR Energy's management teams to execute our growth strategy, which includes expanding 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, or approximately 50%, per year, is underway which is anticipated to be completed by January 1, 2013. CVR Energy, a New York Stock Exchange listed company, which indirectly owns our general partner and approximately 70% of our outstanding common units, currently operates a 115,000 bpd oil refinery in Coffeyville, Kansas, a 70,000 bpd oil refinery in Wynnewood, Oklahoma, and ancillary businesses.

The primary raw material feedstock used 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 significantly less expensive than natural gas on a per ton of fertilizer produced basis, and pet coke prices have been more stable when compared to natural gas prices. We currently purchase most of our pet coke from CVR Energy pursuant to a long-term agreement having an initial term that ends in 2027, subject to renewal. During the past five years, over 70% of the pet coke utilized by our plant was produced and supplied by CVR Energy's crude oil refinery.

Initial Public Offering

On April 13, 2011, we completed our Initial Public Offering, pursuant to which 22,080,000 common units, representing approximately 30% of limited partner interest in the Partnership, were sold to the public at a price of $16.00 per common unit. The net proceeds to CVR Partners from the Initial Public Offering were approximately $324.2 million, after deducting underwriting discounts and commissions and offering expenses. The net proceeds from the Initial Public Offering were used as follows: approximately $18.4 million was used to make a distribution to CRLLC in satisfaction of the Partnership's obligation to reimburse CRLLC for certain capital expenditures it made on our behalf; approximately $117.1 million was used to make a special distribution to CRLLC in order to, among other things, fund the offer to purchase CRLLC's senior secured notes required upon consummation of the Initial Public Offering; approximately $26.0 million was used to purchase (and subsequently extinguish) the incentive distribution rights, or IDRs, owned by our general partner; approximately $4.8 million was used to pay financing fees and associated legal and professional fees resulting from our new credit facility; and the balance was used for or will be used for general partnership purposes, including approximately $104.0 million to fund our UAN expansion.

Registration Statement

The Partnership filed a registration statement with the SEC on March 6, 2012, as amended on April 2, 2012, in which CRLLC planned to offer up to 11.5 million common units representing limited partner interests of the Partnership. On May 15, 2012, the Partnership withdrew the registration statement.

CVR Energy Transaction Agreement

On April 18, 2012, CVR Energy entered into a Transaction Agreement (the "Transaction Agreement") with IEP Energy LLC (the "Offeror"), a majority owned subsidiary of Icahn Enterprises, L.P. ("Icahn Enterprises") and certain other affiliates of Icahn Enterprises, and Carl C. Icahn (collectively with the Offeror, the "Offeror Parties"). Pursuant to the Transaction Agreement, the Offeror offered (the "Offer") to purchase all of the issued and outstanding shares of CVR Energy's common stock (the "Shares") for a price of $30 per Share in cash, without interest, less any applicable withholding taxes, plus one non-transferable contingent cash payment ("CCP") right for each Share which represents the contractual right to receive an additional cash payment per share if a definitive agreement for the sale of CVR Energy is executed on or before August 18, 2013 and such transaction closes.

On May 7, 2012, Offeror Parties announced that control of CVR Energy had been acquired through the Offer. As a result of Shares tendered into the Offer during the initial offering period, the subsequent offering period and subsequent additional purchases, the Offeror owned approximately 82.0% of the Shares of CVR Energy as of June 30, 2012.

Pursuant to the Transaction Agreement, for a period of 60 days CVR Energy solicited proposals or offers from third parties to acquire CVR Energy. The 60 day period began on May 24, 2012 and ended on July 23, 2012 without any qualifying offers.

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 Energy's adjacent refinery supplies us with most of the pet coke feedstock we need pursuant to a long-term 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. This pricing and volatility has a direct impact on our competitors' cost of producing nitrogen fertilizer. Over the last year, natural gas prices have significantly decreased.

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

We and other competitors in the U.S. farm belt share a significant transportation cost advantage when compared to our out-of-region competitors in serving the U.S. farm belt agricultural market. In 2011, approximately 56% of the corn planted in the United States was grown within a $40/UAN ton freight train rate of the nitrogen fertilizer plant. We are therefore able to cost-effectively sell substantially all of our products in the higher margin agricultural market, whereas a significant portion of our competitors' revenues is derived from the lower margin industrial market. Our products leave the plant either in trucks for direct shipment to customers or in railcars for destinations located principally on the Union Pacific Railroad and we currently do not incur any significant intermediate transfer, storage, barge freight or pipeline freight charges. We estimate that our plant enjoys a transportation cost advantage of approximately $25 per ton over competitors located in the U.S. Gulf Coast. Selling products to customers within economic rail transportation limits of the nitrogen fertilizer plant and keeping transportation costs low are keys to maintaining profitability.

The value of nitrogen fertilizer products is also an important consideration in understanding our results. For the three and six months ended June 30, 2012, we upgraded approximately 68% and 70%, respectively, of our ammonia production into UAN, a product that presently generates a greater value than ammonia. During 2011, we upgraded approximately 72% of our ammonia production into UAN. UAN production is a major contributor to our profitability.

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 87% of direct operating expenses over the 24 months ended December 31, 2011.

Our largest raw material expense is pet coke, which we purchase from CRRM and third parties. For the three months ended June 30, 2012 and 2011, we spent approximately $4.1 million and $4.1 million, respectively, for pet coke, which equaled an average cost per ton of $31 and $30, respectively. For the six months ended June 30, 2012 and 2011, we spent approximately $9.1 million and $6.0 million, respectively, for pet coke, which equaled an average cost per ton of $36 and $23, respectively. If pet coke prices rise substantially in the future, we may be unable to increase our prices to recover increased raw material costs, because the price floor for nitrogen fertilizer products is generally correlated with natural gas prices, the primary raw material used by our competitors, and not pet coke prices.

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. The nitrogen fertilizer plant generally undergoes a facility turnaround every two years. The turnaround generally lasts between 13 and 15 days each turnaround year and costs approximately $3 million to $5 million per turnaround. The nitrogen fertilizer plant underwent a turnaround in the fourth quarter of 2010, at a cost of approximately $3.5 million, and the next turnaround is currently scheduled for the fourth quarter of this year. In connection with the 2010 turnaround, the nitrogen fertilizer business also wrote-off approximately $1.4 million of fixed assets.

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.

2012 Turnaround

Our nitrogen fertilizer plant undergoes a planned maintenance turnaround every two years. Turnarounds are a standard procedure that involves a planned shutdown and inspection of our major processing units in order to refurbish, repair and maintain our units as needed. Turnarounds are required to mitigate other unplanned shutdowns that could greatly impact operations if a diligent planned maintenance does not occur as needed. Turnaround expenses are expensed when incurred in direct operating expenses. Operating income is impacted negatively by both the expenses associated with the scheduled turnaround and the lost revenue we would have generated had the nitrogen fertilizer plant not been shut down. Turnaround costs generally approximate $3.0 million to $5.0 million per turnaround. During the fourth quarter of 2012, we plan to complete a turnaround of the nitrogen fertilizer plant. We estimate that the 2012 turnaround expense will approximate $5.0 million. The turnaround is expected to last between 16 and 18 days and will have a significant unfavorable impact to our revenue for the fourth quarter of 2012. The expected turnaround period for 2012 has been extended two days beyond our normal expected turnaround time due to third-party need for additional preventative maintenance work at their facility. Substantially all of the 2012 turnaround expenses will be recognized in the fourth quarter of 2012.

September 2010 UAN Vessel Rupture

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

Our nitrogen fertilizer facility had previously scheduled a major turnaround to begin on October 5, 2010. To minimize disruption and impact to the production schedule, the turnaround was accelerated. The turnaround was completed on October 29, 2010 with the gasification and ammonia units in operation. The fertilizer facility restarted production of UAN on November 16, 2010 and as of December 31, 2010 repairs to the facility as a result of the rupture were substantially complete. In addition to adversely impacting UAN sales in the fourth quarter of 2010, the outage caused us to shift delivery of lower priced tons from the fourth quarter of 2010 to the first and second quarters of 2011.

Total gross costs recorded as of June 30, 2012 due to the incident were approximately $11.5 million for repairs and maintenance and other associated costs. As of June 30, 2012, approximately $7.0 million of insurance proceeds have been received related to the property damage insurance claim. Of the costs incurred, approximately $4.7 million were capitalized. We also recognized income of approximately $3.4 million during 2011 from insurance proceeds received related to our business interruption policy. Approximately $0.5 million was received during the third quarter of 2011, with the remainder received in March and April 2011.

Fertilizer Plant Property Taxes

CRNF received a ten year property tax abatement from Montgomery County, Kansas in connection with the construction of the nitrogen fertilizer plant that expired on December 31, 2007. In connection with the expiration of the abatement, the county reassessed CRNF's nitrogen fertilizer plant and classified the nitrogen fertilizer plant as almost entirely real property instead of almost entirely personal property. The reassessment resulted in an increase in CRNF's annual property tax expense by an average of approximately $10.7 million per year for the years ended December 31, 2008 and December 31, 2009, $11.7 million for the year ended December 31, 2010 and $11.4 million for the year ended December 31, 2011. CRNF does not agree with the county's classification of its nitrogen fertilizer plant and has been disputing it before the Kansas Court of Tax Appeals, or COTA. However, CRNF has fully accrued and paid the property taxes the county claims are owed for the years ended December 31, 2011, 2010, 2009 and 2008 and has estimated and accrued for property tax for the first six months of 2012. This property tax expense is reflected as a direct operating expense in our financial results. In January 2012, COTA issued a ruling indicating that the assessment in 2008 of CRNF's fertilizer plant as almost entirely real property instead of almost entirely personal property was appropriate. CRNF disagrees with the ruling and filed a petition for reconsideration with COTA (which was denied) and has filed an appeal to the Kansas Court of Appeals. CRNF is also appealing the valuation of the CRNF fertilizer plant for tax years 2009 through 2012, which cases remain pending before COTA. If CRNF is successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then a portion of the accrued and paid property tax expenses would be refunded to CRNF, which could have a material positive effect on our results of operations. If CRNF is not successful in having the nitrogen fertilizer plant reclassified as personal property, in whole or in part, then CRNF expects that it will continue to pay property taxes at elevated rates.

Distributions to Unitholders

It is our policy to make cash distributions of all available cash we generate each quarter. Available cash for each quarter will be determined by the board of directors of our general partner following the end of such quarter and will generally equal our cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations and reserves for future operating or capital needs that the board of directors of our general partner deems necessary or appropriate. Additionally, the Partnership also retains the cash on hand associated with prepaid sales at each quarter end, which is recorded on the balance sheet as deferred revenue, for future distributions to common unitholders as it is recognized into income. The board of directors of our general partner may modify our cash distribution policy at any time, and our partnership agreement does not require us to make distributions at all.

Credit Facility

On April 13, 2011, CRNF, as borrower, and the Partnership, as guarantor, entered into a credit facility with a group of lenders. The credit facility includes a term loan facility of $125.0 million and a revolving credit facility of $25.0 million with an uncommitted incremental facility of up to $50.0 million. There is no scheduled amortization and the credit facility matures in April 2016. The average interest rate for the term loan for the six months ended June 30, 2012 was 3.94%. See Note 12 to our financial statements for more information regarding the credit facility. In periods prior to the Initial Public Offering, we did not incur interest expense.

Interest Rate Swap

Our profitability and cash flows are affected by changes in interest rates, 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 for our $125.0 million of term loan borrowings from a floating rate to a fixed rate.

On June 30 and July 1, 2011, CRNF entered into two Interest Rate Swap agreements with J. Aron. We have determined that the Interest Rate Swaps qualify as a hedge for hedge accounting treatment. The Interest Rate Swap agreements commenced on August 12, 2011; therefore, no impact was recorded for the three and six months ended June 30, 2011. The impact recorded for the three and six months ended June 30, 2012 was $0.2 million and $0.5 million, respectively, in interest expense. For the three and six months ended June 30, 2012, the Partnership recorded a decrease in fair market value on the Interest Rate Swap agreements of $0.7 million and $1.0 million, respectively.

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, 2012 and 2011. The following data should be read in conjunction with our condensed consolidated financial statements and the notes thereto included elsewhere in this Form 10-Q. All information in "Management's Discussion and

Analysis of Financial Condition and Results of Operations," except for the balance sheet data as of December 31, 2011, is unaudited.

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Change from 2011 Change	Change from 2011 Percent
	(in millions, except per unit amount)			
Consolidated Statements of Operations Data				
Net sales	$ 81.4	$ 80.7	$ 0.7	0.9%
Cost of product sold—Affiliates(1)	2.5	2.9	(0.4)	(13.8)
Cost of product sold—Third Parties(1)	8.2	6.8	1.4	20.6
	10.7	9.7	1.0	10.3
Direct operating expenses—Affiliates(1)	0.4	0.2	0.2	100.0
Direct operating expenses—Third Parties(1)	22.0	22.1	(0.1)	(0.5)
	22.4	22.3	0.1	0.4
Insurance recovery—business interruption	—	—	—	—
Selling, general and administrative expenses—Affiliates(1)	5.2	3.3	1.9	57.6
Selling, general and administrative expenses—Third Parties(1)	1.8	1.4	0.4	28.6
	7.0	4.7	2.3	48.9
Depreciation and amortization(2)	5.2	4.7	0.5	10.6
Operating income	$ 36.1	$ 39.3	$ (3.2)	(8.1)
Interest expense and other financing costs	(1.0)	(1.2)	0.2	(16.7)
Interest income	0.1	—	0.1	—
Other income (expense)	—	0.1	(0.1)	(100.0)
Total other income (expense)	(0.9)	(1.1)	0.2	(18.2)
Income before income tax expense	35.2	38.2	(3.0)	(7.9)
Income tax expense	0.1	—	0.1	—
Net income	$ 35.1	$ 38.2	$ (3.1)	(8.1)%
EBITDA(3)	$ 41.3	$ 44.1	$ (2.8)	(6.3)%
Adjusted EBITDA(3)	$ 44.1	$ 45.0	$ (0.9)	(2.0)%
Available cash for distribution(4)(5)	$ 43.8	$ 29.7		
Reconciliation of net sales (in millions):				
Sales net plant gate	$ 75.1	$ 69.2		
Freight in revenue	6.3	5.4		
Hydrogen and other gases revenue	—	6.1		
Total net sales	$ 81.4	$ 80.7		

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011	Change from 2011 Change	Change from 2011 Percent
	(in millions, except per unit amount)			
Consolidated Statements of Operations Data				
Net sales	$ 159.7	$ 138.1	$ 21.6	15.6%
Cost of product sold—Affiliates(1)	5.5	4.3	1.2	27.9
Cost of product sold—Third Parties(1)	17.8	12.9	4.9	38.0
	23.3	17.2	6.1	35.5
Direct operating expenses—Affiliates(1)	0.8	0.8	—	—
Direct operating expenses—Third Parties(1)	44.5	44.5	—	—
	45.3	45.3	—	—
Insurance recovery—business interruption	—	(2.9)	2.9	(100.0)
Selling, general and administrative expenses—Affiliates(1)	9.0	9.7	(0.7)	(7.2)
Selling, general and administrative expenses—Third Parties(1)	4.0	3.4	0.6	17.6
	13.0	13.1	(0.1)	(0.8)
Depreciation and amortization(2)	10.6	9.3	1.3	14.0
Operating income	67.5	$ 56.1	$ 11.4	20.3
Interest expense and other financing costs	(2.2)	(1.2)	(1.0)	83.3
Interest income	0.1	—	0.1	—
Other income (expense)	—	—	—	—
Total other income (expense)	(2.1)	(1.2)	(0.9)	75.0
Income before income tax expense	65.4	54.9	10.5	19.1
Income tax expense	0.1	—	0.1	—
Net income	$ 65.3	$ 54.9	$ 10.4	18.9%
EBITDA(3)	$ 78.1	$ 65.4	$ 12.7	19.4%
Adjusted EBITDA(3)	$ 82.1	$ 70.9	$ 11.2	15.8%
Available cash for distribution(4)(5)	$ 82.0	$ 29.7		
Reconciliation of net sales (in millions):				
Sales net plant gate	$ 142.9	$ 121.8		
Freight in revenue	11.1	10.2		
Hydrogen and other gases revenue	5.7	6.1		
Total net sales	$ 159.7	$ 138.1		

	As of June 30, 2012	As of December 31, 2011 (audited)
	(in millions)	
Balance Sheet Data		
Cash and cash equivalents	$ 196.4	$ 237.0
Working capital	191.8	229.4
Total assets	639.7	659.3
Total debt	125.0	125.0
Partners' Capital	477.1	489.5

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(in millions)			
Cash Flow and Other Data				
Net cash flow provided by (used in):				
Operating activities	$ 26.0	$ 18.0	$ 79.8	$ 50.2
Investing activities	(16.9)	(4.0)	(39.2)	(5.8)
Financing activities	(38.3)	144.4	(81.2)	142.6
Net cash flow	$ (29.2)	$ 158.4	$ (40.6)	$ 187.0
Capital expenditures	$ 16.9	$ 4.0	$ 39.2	$ 6.0

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

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

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(in millions)			
Depreciation and amortization excluded from direct operating expenses	$ 5.2	$ 4.7	$ 10.5	$ 9.3
Depreciation and amortization excluded from cost of product sold sold	—	—	0.1	—
Total depreciation and amortization	$ 5.2	$ 4.7	$ 10.6	$ 9.3

(3) EBITDA is defined as net income before income tax expense, net interest (income) expense and depreciation and amortization expense. EBITDA is not a recognized term under GAAP and should not be substituted for net income as a measure of performance.

Adjusted EBITDA is defined as EBITDA adjusted for the impact of share-based compensation, and, where applicable, major scheduled turnaround expense and loss on disposition of assets. We present Adjusted EBITDA because it is a key measure used in material covenants in our credit facility. Adjusted EBITDA is not a recognized term under GAAP and should not be substituted for net income as a measure of our liquidity. Management believes that Adjusted EBITDA enables investors and analysts to better understand our liquidity and our compliance with the covenants contained in our credit facility.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
	(in millions)			
Net income	$ 35.1	$ 38.2	$ 65.3	$ 54.9
Add:				
Interest expense, net	0.9	1.2	2.1	1.2
Income tax expense	0.1	—	0.1	—
Depreciation and amortization	5.2	4.7	10.6	9.3
EBITDA	41.3	44.1	78.1	65.4
Share-based compensation	2.8	0.9	4.0	5.5
Adjusted EBITDA	$ 44.1	$ 45.0	$ 82.1	$ 70.9

(4) We define available cash for distribution generally as our cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations, and reserves for future operating or capital needs that the board of directors of our general partner deems necessary or appropriate. The Partnership also retains the cash on hand associated with prepaid sales at each quarter end for future distribution to common unitholders based upon the recognition into income of the prepaid sales.

(5) Available cash for distribution is reflective of available cash since closing of the Partnership's initial public offering on April 13, 2011. Based upon the full quarter's available cash for 2011, available cash would have been $38.7 million.

Below is a table reconciling the available cash for distribution for the three months ended June 30, 2012:

	Three Months Ended June 30, 2012
	(in millions, except per unit data)
Cash flows from operations	$ 26.0
Adjustments:	
Plus: Deferred revenue balance at March 31, 2011	16.0
Less: Deferred revenue balance at June 30, 2012	(4.4)
Less: Maintenance capital expenditures	(0.5)
Plus: Previously established reserve for accrued expenses	6.7
Available cash for distribution	$ 43.8
Available cash for distribution, per unit	$ 0.600
Common units outstanding	73,043

The tables below provide an overview of our results of operations, relevant market indicators and key operating statistics:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(in millions)			
Key Operating Statistics				
Production (thousand tons):				
Ammonia (gross produced)(1)	108.9	102.3	198.2	207.6
Ammonia (net available for sale)(1)	34.9	28.2	59.9	63.4
UAN	180.0	179.4	334.6	350.0
Petroleum coke consumed (thousand tons)	130.2	135.8	250.7	259.9
Petroleum coke (cost per ton)	$ 31	$ 30	$ 36	$ 23
Sales (thousand tons):				
Ammonia	29.4	33.6	59.3	60.9
UAN	177.2	166.1	335.5	345.4
Product pricing (plant gate) (dollars per ton)(2):				
Ammonia	$ 568	$ 574	$ 591	$ 570
UAN	329	300	322	252
On-stream factors(3):				
Gasification	99.2%	99.3%	96.2%	99.6%
Ammonia	98.0%	98.5%	94.7%	97.6%
UAN	96.7%	97.6%	90.1%	95.4%

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Market Indicators				
Natural gas NYMEX (dollars per MMBtu)	$ 2.35	$ 4.38	$ 2.43	$ 4.29
Ammonia—Southern Plains (dollars per ton)	$ 585	$ 604	$ 585	$ 605
UAN—Mid Cornbelt (dollars per ton)	$ 417	$ 366	$ 380	$ 358

(1) Gross tons produced for ammonia represent the total ammonia produced, including ammonia produced that was upgraded into UAN. Net tons available for sale represent the ammonia available for sale that was not upgraded into UAN.

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

(3) On-stream factor is the total number of hours operated divided by the total number of hours in the reporting period and is a measure of efficiency.

Three Months Ended June 30, 2012 Compared to the Three Months Ended June 30, 2011

Net Sales. Net sales were $81.4 million for the three months ended June 30, 2012 compared to $80.7 million for the three months ended June 30, 2011. For the three months ended June 30, 2012, ammonia and UAN made up $17.3 million and $64.1 million of our net sales, respectively. This compared to ammonia and UAN net sales of $19.8 million and $54.8 million, respectively, for the three months ended June 30, 2011. The increase of $0.7 million was the result of higher average plant gate prices for UAN and increased sales unit volumes for UAN offset by lower hydrogen sales to CVR Energy's refinery and decreased sales unit volumes for ammonia. The following table demonstrates the impact of sales volumes and pricing for ammonia, UAN and hydrogen for the three months ended June 30, 2012 and June 30, 2011:

	Three Months Ended June 30, 2012			Three Months Ended June 30, 2011			Total Variance			
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	Price Variance	Volume Variance
									(in millions)	
Ammonia	29,414	$ 589	$ 17.3	33,582	$ 590	$ 19.8	(4,168)	$ (2.5)	$ —	$ (2.5)
UAN	177,169	$ 362	$ 64.1	166,112	$ 330	$ 54.8	11,057	$ 9.3	$ 5.3	$ 4.0
Hydrogen	—	$ —	$ —	630,497	$ 10	$ 6.1	(630,497)	$ (6.1)	$ (6.1)	$ —

(1) Ammonia and UAN 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, 2012 compared to the three months ended June 30, 2011 was primarily attributable to an extended spring season for UAN application and additional corn acres planted. On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units continue to demonstrate their reliability with the units reporting 99.2%, 98.0% and 96.7%, respectively, on-stream for the three months ended June 30, 2012. On-stream rates for the second quarter of 2011 were 99.3%, 98.5% and 97.6%, for the gasification, ammonia and UAN units, respectively.

Plant gate prices are prices at the designated delivery point less any freight cost we absorb to deliver the product. We believe plant gate price 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 plant gate price provides a measure that is consistently comparable period to period. Average plant gate prices for the three months ended June 30, 2012 compared to three months ended June 30, 2011 were higher for UAN increasing 9.6% while ammonia decreased 1.0%. The UAN price increase reflects strong farm belt market conditions.

Cost of Product Sold. Cost of product sold is primarily comprised of pet coke expense, freight expense and distribution expense. Cost of product sold for the three months ended June 30, 2012 was $10.7 million compared to $9.7 million for the three months ended June 30, 2011. The increase of $1.0 million is the result of higher third-party costs of $1.4 million associated with higher freight costs, distribution costs and third-party coke costs, partially offset by lower affiliate costs of $0.4 million due to reduced coke volumes from CVR Energy's refinery.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the three months ended June 30, 2012 were $22.4 million as compared to $22.3 million for the three months ended June 30, 2011.

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 services agreement. 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. Selling, general and administrative expenses (exclusive of depreciation and amortization) were $7.0 million for the three months ended June 30, 2012, as compared to $4.7 million for the three months ended June 30, 2011. The increase of $2.3 million for the three months ended June 30, 2012 over the comparable period in 2011 was primarily attributable to increases in share-based compensation expense of $1.6 million, personnel expense reimbursements to our general partner of $0.9 million and public company related expenses of $0.2 million were partially offset by $0.5 million of lower reimbursements under the services agreement to CVR Energy.

Operating Income. Operating income was $36.1 million for the three months ended June 30, 2012 as compared to operating income of $39.3 million for the three months ended June 30, 2011. This decrease of $3.2 million was primarily the result of the increase in selling, general and administrative expenses (exclusive of depreciation and amortization) of $2.3 million, depreciation and amortization of $0.5 million, direct operating expenses (exclusive of depreciation and amortization) of $0.2 million and lower nitrogen fertilizer margin of $0.2 million.

Interest Expense. Interest expense for the three months ended June 30, 2012 was approximately $1.0 million and $1.2 million for the three months ended June 30, 2011. Interest expense for the three months ended June 30, 2012 was attributable to bank interest expense of $1.3 million on the $125.0 million term loan facility, $0.2 million of deferred financing amortization and $0.2 million of interest expense related to the interest rate swap, partially offset by capitalized interest of $0.7 million.

Income Tax Expense. Income tax expense for the three months ended June 30, 2012 and 2011 was immaterial and consisted of amounts payable pursuant to a Texas state franchise tax.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Net Sales. Net sales were $159.7 million for the six months ended June 30, 2012 compared to $138.1 million for the six months ended June 30, 2011. For the six months ended June 30, 2012, ammonia and UAN made up $36.1 million and $117.9 million of our net sales, respectively. This compared to ammonia and UAN net sales of $35.7 million and $96.3 million, respectively, for the six months ended June 30, 2011. The increase of $21.6 million was the result of both higher average plant gate prices for both ammonia and UAN, offset by lower sales unit volumes for UAN and ammonia and reduced hydrogen sales to CVR Energy's refinery. The following table demonstrates the impact of sales volumes and pricing for ammonia, UAN and hydrogen for the six months ended June 30, 2012 and June 30, 2011:

	Six Months Ended June 30, 2012			Six Months Ended June 30, 2011			Total Variance			
	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	$ per ton(2)	Sales $(3)	Volume(1)	Sales $(3)	Price Variance	Volume Variance
									(in millions)	
Ammonia	59,280	$ 608	$ 36.1	60,904	$ 586	$ 35.7	(1,624)	$ 0.4	$ 1.3	$ (0.9)
UAN	335,462	$ 352	$ 117.9	345,426	$ 279	$ 96.3	(9,964)	$ 21.6	$ 25.1	$ (3.5)
Hydrogen	562,657	$ 10	$ 5.7	630,497	$ 10	$ 6.1	(67,840)	$ (0.4)	$ 0.3	$ (0.7)

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

(2) Includes freight charges

(3) Sales dollars in millions

On-stream factors (total number of hours operated divided by total hours in the reporting period) for the gasification, ammonia and UAN units continue to demonstrate their reliability with the units reporting 96.2%, 94.7% and 90.1%, respectively, on-stream for the six months ended June 30, 2012. On-stream rates for the six months ended June 30, 2011 were 99.6%, 97.6% and 95.4%, for the gasification, ammonia and UAN units, respectively. Lower on-stream factors were the result of downtime related to repairs for each of the units. This downtime resulted in decreased UAN production and related reduced sales volumes.

Plant gate prices are prices at the designated delivery point less any freight cost we absorb to deliver the product. We believe plant gate price 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 plant gate price provides a measure that is consistently comparable period to period. Average plant gate prices for the six months ended June 30, 2012 were higher for both ammonia and UAN over the comparable period of 2011, increasing 3.7% and 27.7% respectively. The price increases reflect strong farm belt market conditions.

Cost of Product Sold. Cost of product sold is primarily comprised of pet coke expense, freight expense and distribution expense. Cost of product sold for the six months ended June 30, 2012 was $23.3 million compared to $17.2 million for the six months ended June 30, 2011. The increase of $6.1 million is the result of higher affiliate costs of $1.2 million associated with higher pet coke prices and third-party costs of $4.9 million associated with increased volumes and higher prices.

Direct Operating Expenses (Exclusive of Depreciation and Amortization). Direct operating expenses include costs associated with the actual operations of our plant, such as repairs and maintenance, energy and utility costs, catalyst and chemical costs, outside services, labor and environmental compliance costs. Direct operating expenses (exclusive of depreciation and amortization) for the six months ended June 30, 2012 were $45.3 million as compared to $45.3 million for the six months ended June 30, 2011.

Insurance Recovery—Business Interruption. During the six months ended June 30, 2011, we recorded insurance proceeds under insurance coverage for interruption of business of $2.9 million related to the September 30, 2010 UAN vessel rupture. There were no proceeds received in the first six months of 2012.

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 services agreement. 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. Selling, general and administrative expenses (exclusive of depreciation and amortization) were $13.0 million for the six months ended June 30, 2012, as compared to $13.1 million for the six months ended June 30, 2011. The decrease of $0.1 million for the six months ended June 30, 2012 over the comparable period in 2011 was primarily attributable to a decrease in share-based compensation expense of $1.5 million, a decrease of $0.8 million as reimbursements under the services agreement to CVR Energy partially offset by $1.7 million of increased personnel and other expenses reimbursed to the general partner and other increased outside services of $0.5 million primarily associated with the filing of the registration statement.

Operating Income. Operating income was $67.5 million for the six months ended June 30, 2012 as compared to operating income of $56.1 million for the six months ended June 30, 2011. This increase of $11.4 million was primarily the result of the increase in nitrogen fertilizer margin associated primarily with pricing, partially offset by an increase to the cost of products sold (exclusive of depreciation and amortization), a decrease in insurance recovery of $2.9 million and increased depreciation and amortization expense of $1.3 million.

Interest Expense. Interest expense for the six months ended June 30, 2012 was approximately $2.2 million and $1.2 million for the six months ended June 30, 2011. Interest expense for the six months ended June 30, 2012 was attributable to bank interest expense of $2.5 million on the $125.0 million term loan facility, $0.5 million of deferred financing amortization and $0.5 million of interest expense related to the interest rate swap, partially offset by capitalized interest of $1.3 million.

Income Tax Expense. Income tax expense for the six months ended June 30, 2012 and 2011 was immaterial and consisted of amounts payable pursuant to a Texas state franchise tax.

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 liquidity was further enhanced during the second quarter of 2011 by the receipt of approximately $158.0 million in net proceeds from our Initial Public Offering after the payment of underwriting discounts and commissions, distributions to CRLLC, payments to purchase (and subsequently extinguish) the IDRs owned by our general partner prior to the Initial Public Offering and financing fees and associated legal and professional fees resulting from our credit facility. In addition, in conjunction with the completion of the Initial Public Offering, we entered into a new $125.0 million term loan and $25.0 million revolving credit facility.

Our principal uses of cash are expected to be operations, distributions to common unitholders, capital expenditures and funding our debt service obligations. We believe that our cash from operations will be adequate to satisfy anticipated commitments for the next twelve months and that the net proceeds remaining from our Initial Public Offering and borrowings under our credit facility will be adequate to fund our planned capital expenditures, including the UAN expansion, 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, 2012, we had cash and cash equivalents of $196.4 million, including $4.4 million of customer advances. Working capital at June 30, 2012 was $191.8 million, consisting of $226.7 million in current assets and $35.0 million in current liabilities. Working capital at December 31, 2011 was $229.4 million, consisting of $271.9 million in current assets and $42.5 million in current liabilities. As of July 27, 2012, we had cash and cash equivalents of $203.0 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 April 2016. The credit facility will be 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 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 perfected, 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, 2012, 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, and 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, breaches 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 or any of its subsidiaries (other than us and CRNF) terminates or violates any of its covenants in any of the intercompany agreements between us and CVR Energy and its subsidiaries (other than us and CRNF) and such action has resulted or could be reasonably 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, 2012, we were in compliance with the covenants under the credit facility.

Interest Rate Swap

Our profitability and cash flows are affected by changes in interest rates, 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.

On June 30 and July 1, 2011, CRNF entered into two Interest Rate Swap agreements with J. Aron. We have determined that the Interest Rate Swaps qualify as a hedge for hedge accounting treatment. These Interest Rate Swap agreements commenced August 12, 2011. The impact recorded for the three and six months ended June 30, 2012 is $0.2 million and $0.5 million, respectively, in interest expense. For the three and six months ended June 30, 2012, the Partnership recorded losses of $0.5 million and $0.5 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 is $(2.9) million. This amount is unrealized and included in accumulated other comprehensive income.

Capital Spending

Our total capital expenditures for the six months ended June 30, 2012 totaled $39.2 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 $39.2 million spent for the six months ended June 30, 2012, $1.6 million was related to maintenance capital projects and the remainder was related to growth capital projects. Major scheduled turnaround expenses are expensed when incurred.

We expect to spend $100.0 million to $110.0 million on capital expenditures in 2012, excluding capitalized interest. Of this amount, $10.0 million to $11.5 million will be spent on maintenance projects and $90.0 million to $100.0 million will be spent on growth projects including $70.0 million to $75.0 million on the UAN expansion project.

Using a portion of the proceeds of our Initial Public Offering and our term loan borrowings, we moved forward with our UAN expansion project, which will allow us the flexibility to upgrade all of our ammonia production to UAN. Inclusive of capital spent prior to our Initial Public Offering, we now anticipate that the total capital spend associated with the UAN expansion will approximate $125.0 million (including capitalized interest). As of June 30, 2012, approximately $77.6 million had been spent, including $34.1 million which was spent during the six months ended June 30, 2012. It is anticipated that the UAN expansion will be completed by January 1, 2013.

In October 2011, the board of directors of our general partner approved a UAN terminal project that will include the construction of a two million gallon UAN storage tank and related truck and rail car load-out facilities that will be located in Phillipsburg, Kansas. The property that this terminal will be constructed on is owned by a subsidiary of CVR Energy, Coffeyville Resources Terminal, LLC, who will operate the terminal. The purpose of the UAN terminal is to distribute approximately 20,000 tons of UAN fertilizer annually. The expected cost of this project is approximately $2.0 million and completion is expected during the third quarter of 2012.

Planned capital expenditures for 2012 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 and/or equipment costs necessary to comply with government regulations or to complete projects that sustain or improve the profitability of our nitrogen fertilizer operations.

Distributions to Unitholders

Our general partner's current policy is to distribute all of the available cash we generate on a quarterly basis. Available cash for each quarter is determined by the board of directors of our general partner following the end of such quarter. Available cash for each quarter generally equals our cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations and reserves for future operating or capital needs that the board of directors of our general partner deems necessary or appropriate. The Partnership also retains the cash on hand associated with prepaid sales at each quarter end for future distributions to common unitholders based upon the recognition into income of the prepaid sales. The partnership agreement does not require the Partnership to make any distributions, and the board of directors of our general partner could change our distribution policy at any time, including reducing the amount or frequency of distributions we make or eliminating all distributions.

The Partnership did not make quarterly distributions to unitholders prior to the closing of the Initial Public Offering.

On February 14, 2012, the Partnership paid out a cash distribution to the Partnership's unitholders of record at the close of business on February 7, 2012 for the fourth quarter of 2011 in the amount of $0.588 per unit, or $42.9 million in aggregate.

On April 26, 2012, the board of directors of the Partnership's general partner declared a cash distribution for the first quarter of 2012 to the Partnership's unitholders of $0.523 per unit, or $38.2 million in aggregate. The cash distribution was paid May 15, 2012 to unitholders of record at the close of business on May 8, 2012.

On July 26, 2012, the board of directors of the Partnership's general partner declared a cash distribution for the second quarter of 2012 to the Partnership's unitholders of $0.60 per unit. The cash distribution will be paid August 14, 2012 to unitholders of record at the close of business on August 7, 2012.

Cash Flows

The following table sets forth our cash flows for the periods indicated below (in millions):

	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
	(unaudited)	
Net cash provided by (used in):		
Operating activities	$ 79.8	$ 50.2
Investing activities	(39.2)	(5.8)
Financing activities	(81.2)	142.6
Net increase (decrease) in cash and cash equivalents	$ (40.6)	$ 187.0

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, 2012 was $79.8 million. The positive cash flow from operating activities generated over this period was primarily attributable to net income of $65.3 million which was driven by a strong fertilizer price environment and favorable impacts to working capital. For the six months ended June 30, 2012, trade working capital increased our operating cash flow by $5.9 million and was primarily attributable to a decrease in accounts receivable of $4.6 million, a decrease in inventory of $0.6 million, and an increase in accounts payable of $0.7 million. With respect to other working capital for the six months ended June 30, 2012, the primary uses of cash were a decrease in deferred revenue of $4.6 million and a decrease to accrued expenses and other current liabilities of $0.7 million. Deferred revenue represents customer prepaid deposits for the future delivery of our nitrogen fertilizer products.

Net cash flows provided by operating activities for the six months ended June 30, 2011 was $50.2 million. The positive cash flow from operating activities generated over this period was primarily attributable to net income of $54.9 million which was driven by a strong fertilizer price environment, high on-stream factors and favorable impacts to other working capital and trade working capital. With respect to other working capital for the six months ended June 30, 2011, the primary source of cash was a $15.7 million decrease in deferred revenue. Trade working capital for the six months ended June 30, 2011 decreased our operating cash flow by $7.6 million and was attributable to a decrease in accounts payable of $3.8 million, coupled with increases in inventory of $2.9 million and accounts receivable of $0.8 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities for the six months ended June 30, 2012 was $39.2 million compared to $5.8 million for the six months ended June 30, 2011. The increase in capital expenditures to $39.2 million for the six months ended June 30, 2012 was primarily associated with the UAN expansion.

Cash Flows Used in Financing Activities

Net cash flows used in financing activities for the six months ended June 30, 2012 was $81.2 million, compared to net cash flows from financing activities for the six months ended June 30, 2011 of $142.6 million. The net cash used in financing activities for the six months ended June 30, 2012 was primarily attributable to quarterly cash distributions. For the six months ended June 30, 2011, the net cash from financing activities was primarily attributable to the proceeds from the Initial Public Offering offset by the $276.7 million distributed to our affiliates and the $26.0 million purchase of our general partner's incentive distributions rights.

Capital and Commercial Commitments

We are required to make payments relating to various types of obligations. The following table summarizes our minimum payments as of June 30, 2012 relating to long-term debt, operating leases, unconditional purchase obligations and other specified capital and commercial commitments for the period following June 30, 2012 and thereafter.

	Payments Due by Period						
	Total	2012	2013	2014	2015	2016	Thereafter
	(unaudited) (in millions)						
Contractual Obligations							
Long-term debt(1)	$ 125.0	$ —	$ —	$ —	$ —	$ 125.0	$ —
Operating leases(2)	29.8	2.9	6.0	4.7	4.2	3.8	8.2
Unconditional purchase obligations(3)	56.8	5.9	12.0	6.2	6.3	6.4	20.0
Unconditional purchase obligations with affiliates(4)	257.9	4.8	16.8	17.0	16.5	16.9	185.9
Interest payments(5)	18.3	2.5	4.8	4.8	4.8	1.4	—
Total	$ 487.8	$ 16.1	$ 39.6	$ 32.7	$ 31.8	$ 153.5	$ 214.1

(1) We entered into a credit facility in connection with the closing of the Initial Public Offering. The credit facility includes a $125.0 million term loan, which was fully drawn at closing, and a $25.0 million revolving credit facility, which was undrawn at June 30, 2012. The table assumes no amounts are outstanding under the revolving credit facility.

(2) We lease various facilities and equipment, primarily railcars, under non-cancelable operating leases for various periods.

(3) The amount includes commitments under an electric supply agreement with the city of Coffeyville, Kansas, a product supply agreement with Linde and a pet coke supply agreement with HollyFrontier Corporation. The agreement with HollyFrontier Corporation has an initial term that ends in 2013 and is subject to renewal.

(4) The amount includes commitments under our long-term pet coke supply agreement with CVR Energy having an initial term that ends in 2027, subject to renewal. The Partnership's purchase obligation for pet coke from CVR Energy has been derived from a calculation of the average pet coke price paid to CVR Energy over the preceding two year period.

(5) Interest payments are based on the current interest rate at June 30, 2012.

Off-Balance Sheet Arrangements

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

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, *"Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS,"* ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and International Financial Reporting Standards ("IFRS"). ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. The provisions of ASU 2011-04 are effective for interim and annual periods beginning after December 15, 2011. We adopted this standard as of January 1, 2012. The adoption of this standard did not impact the condensed consolidated financial statement footnote disclosures.

In June 2011, the FASB issued ASU No. 2011-05, "*Comprehensive Income (ASC Topic 220): Presentation of Comprehensive Income*," ("ASU 2011-05") which amends current comprehensive income guidance. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of stockholders' equity. Instead, we must report comprehensive income in either a single continuous statement of comprehensive income which contains two sections, net income and other comprehensive income, or in two separate but consecutive statements. ASU 2011-05 is effective for interim and annual periods beginning after December 2011. In December 2011, FASB issued ASU 2011-11, which deferred the effective date of the changes in ASU 2011-05 that relate to the presentation of reclassification adjustments to again consider whether to present the effects of reclassifications out of accumulated other comprehensive income on the face of the financials. This deferral does not impact the other requirements as of ASU 2011-05. We adopted both standards as of January 1, 2012. The adoption of this standard expanded the condensed consolidated financial statements and footnote disclosures.

In December 2011, the FASB issued ASU No. 2011-11, *"Disclosures about Offsetting Assets and Liabilities"* ("ASU 2011-11"). ASU 2011-11 retains the existing offsetting requirements and enhances the disclosure requirements to allow investors to better compare financial statements prepared under U.S. GAAP with those prepared under IFRS. This new guidance is to be applied retrospectively. ASU 2011-11 will be effective for interim and annual periods beginning January 1, 2013. We believe this standard will expand the Partnership's condensed consolidated financial statement footnote disclosures.

Critical Accounting Policies

Our critical accounting policies are disclosed in the "Critical Accounting Policies" section of our Annual Report on Form 10-K for the year ended December 31, 2011. No modifications have been made to our critical accounting policies.

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

Interest Rate Risk

On June 30 and July 1, 2011 CRNF entered into two floating-to-fixed interest rate swap agreements for the purpose of hedging the interest rate risk associated with a portion of its $125 million floating rate term debt which matures in April 2016. The aggregate notional amount covered under these agreements totals $62.5 million (split evenly between the two agreement dates) and commenced on August 12, 2011 and expires on February 12, 2016. Under the terms of the interest rate swap agreement entered into on June 30, 2011, CRNF receives a floating rate based on three month LIBOR and pays a fixed rate of 1.94%. Under the terms of the interest rate swap agreement entered into on July 1, 2011, CRNF receives a floating rate based on three month LIBOR and pays a fixed rate of 1.975%. Both swap agreements will be 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 governed by the CRNF credit agreement. 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 hedged transaction affects earnings. The ineffective portion of the gain or loss will be recognized immediately in current interest expense.

The Partnership still has exposure to interest rate risk on 50% of its $125 million floating rate term debt. A 1% increase over the Eurodollar floor spread of 3.5%, as specified in the credit agreement, would increase interest cost to the Partnership by approximately $625,000 on an annualized basis, thus decreasing income from operations by the same amount.

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., ammonia, UAN 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

Our management, under the direction of our Executive Chairman, Chief Executive Officer and Chief Financial Officer, evaluated as of June 30, 2012, the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon and as of the date of that evaluation, our Executive Chairman, Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required and is accumulated and communicated to our management, including our Executive Chairman, our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. It should be noted that any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any system of disclosure controls and procedures is based in part upon assumptions about the likelihood of future events. Due to these and other inherent limitations of any such system, there can be no assurance that any design will always succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control Over Financial Reporting

There has been no 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, 2012 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 15 ("Commitments and Contingencies") to Part I, Item I of this Form 10-Q, which is incorporated by reference into this Part II, Item 1, for a description of the property tax litigation contained in "Litigation."

Item 1A. *Risk Factors*

Mr. Carl C. Icahn exerts significant influence over the Partnership and his interests may conflict with the interests of the Partnership's public unitholders.

CVR Energy indirectly owns our general partner and approximately 70% of our common units. CVR Energy has the right to appoint and replace all of the members of the board of directors of our general of partner at any time.

Mr. Carl C. Icahn indirectly controls approximately 82% of the voting power of CVR Energy's capital stock and, by virtue of such stock ownership in CVR Energy, is able to elect all of the directors of CVR Energy. This gives Mr. Icahn the ability to control and exert substantial influence over CVR Energy. As a result of such control of CVR Energy, he is able to control the Partnership, including:

- business strategy and policies;
- mergers or other business combinations;
- acquisition or disposition of assets;
- future issuances of common units or other securities;
- incurrence of debt or obtaining other sources of financing; and
- The Partnership's distribution policy and the payment of distributions on the Partnership's common units.

CVR Energy provides us with the services of its senior management team as well as accounting, business operations, legal, finance and other key back-office and mid-office personnel pursuant to a services agreement which it can terminate at any time subject to a 180-day notice period. We cannot predict whether CVR Energy will terminate the services agreement and, if so, what the economic effect of termination would be. CVR Energy also has the right under our partnership agreement to sell our general partner at any time to a third party, who would be able to replace our entire board of directors. Finally, while CVR Energy currently owns the majority of our common units, its current owners are under no obligation to maintain their ownership interest in us, which could have a material adverse effect on us.

Mr. Icahn's interests may not always be consistent with the Partnership's interests or with the interests of the Partnership's public unitholders. Mr. Icahn and entities controlled by him may also pursue acquisitions or business opportunities in industries in which we compete, and there is no requirement that any additional business opportunities be presented to us. We also have and may in the future enter into transactions to purchase goods or services with affiliates of Mr. Icahn. To the extent that conflicts of interest may arise between the Partnership and Mr. Icahn and his affiliates, those conflicts may be resolved in a manner adverse to the Partnership or its public unitholders.

Item 6. *Exhibits*

Exhibit Number	Exhibit Title
10.1*	Second Amended and Restated Services Agreement, dated as of May 4, 2012, among CVR Partners, LP, CVR GP, LLC and CVR Energy, Inc.
10.2*	Lease and Operating Agreement, dated as of May 4, 2012, between Coffeyville Resources Terminal, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
10.3*	Memorandum of Understanding, dated as of May 4, 2012, between Coffeyville Resources Refining & Marketing, LLC and Coffeyville Resources Nitrogen Fertilizers, LLC.
31.1*	Certification of the Executive Chairman pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
31.2*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
31.3*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act.
32.1*	Certification of the Executive Chairman pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial information for CVR Partners, LP's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed with the SEC on August 2, 2012, formatted in XBRL ("Extensible Business Reporting Language") includes: (1) Condensed Consolidated Balance Sheets, (2) Condensed Consolidated Statements of Operations, (3) Condensed Consolidated Statements of Comprehensive Income (Loss), (4) Condensed Consolidated Statements of Cash Flows, (5) Condensed Consolidated Statement of Partners' Capital and (6) the Notes to Condensed Consolidated Financial Statements (unaudited), tagged in detail.**

* Filed herewith.

** Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and is otherwise not subject to liability under these sections.

PLEASE NOTE: Pursuant to the rules and regulations of the Securities and Exchange Commission, we have filed or incorporated by reference the agreements referenced above as exhibits to this quarterly report on Form 10-Q. The agreements have been filed to provide investors with information regarding their respective terms. The agreements are not intended to provide any other factual information about the 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

August 2, 2012	By:	/s/ JOHN J. LIPINSKI
		Executive Chairman *(Principal Executive Officer)*
August 2, 2012	By:	/s/ BYRON R. KELLEY
		Chief Executive Officer *(Principal Executive Officer)*
August 2, 2012	By:	/s/ FRANK A. PICI
		Chief Financial Officer *(Principal Financial Officer)*

Exhibit 10.1

SECOND AMENDED AND RESTATED SERVICES AGREEMENT

This Second Amended and Restated Services Agreement (this "***Agreement***") is entered into as of the 4th day of May, 2012, by and among 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

GP, in its capacity as the general partner of MLP, desires to engage CVR, on its own behalf and for the benefit of Fertilizer and MLP, to provide certain services necessary to operate the business conducted by Fertilizer, MLP and GP (the "***Services Recipients***"), and CVR is willing to undertake such engagement, subject to the terms and conditions of this Agreement.

MLP, GP and CVR entered into an Amended and Restated Services Agreement dated as of April 13, 2011 (the "***Prior Agreement***"), pursuant to which CVR agreed to provide certain services to the Services Recipients. The Parties desire to amend and restate the terms of the Prior Agreement upon the terms and subject to the conditions set forth in this Agreement.

MLP, GP (for itself and in its capacity as the general partner of MLP), and CVR agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Terms. The following defined terms will have the meanings given below:

"***Administrative Personnel***" means individuals who are employed by CVR or any of its Affiliates and assist in providing, as part of the Services, any of the administrative services referred to in Exhibit 1 hereto.

"***Affiliate***" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, through the ownership of voting securities, by contract or otherwise (provided that, solely for purposes of this Agreement, the Services Recipients shall not be deemed Affiliates of CVR).

"***Bankrupt***" with respect to any Person shall mean such Person shall generally be unable to pay its debts as such debts become due, or shall so admit in writing or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against such Person seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), shall remain undismissed or unstayed for a period of 30 days; or such Person shall take any action to authorize any of the actions set forth above.

"***CVR Representative***" means such person as is designated in writing by CVR to serve in such capacity.

"***Default Rate***" shall mean an interest rate (which shall in no event be higher than the rate permitted by applicable law) equal to 300 basis points over LIBOR.

"***Fertilizer***" means Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, and any other direct or indirect subsidiary of MLP.

"***Fertilizer Payroll Percentage***" means, for any applicable period, the percentage represented by a fraction, the numerator of which is the total payroll amount of Fertilizer for such period, and the denominator of which is the total payroll amount of Fertilizer plus the total payroll amount of Refinery for such period, as such payroll amounts are calculated on a consistent basis for purposes of determining the Fertilizer Payroll Percentage.

"***Governmental Approval***" shall mean any material consent, authorization, certificate, permit, right of way grant or approval of any Governmental Authority that is necessary for the construction, ownership and operation of the assets used in the business of the Services Recipients in accordance with applicable Laws.

"***Governmental Authority***" shall mean any court or tribunal in any jurisdiction or any federal, state, tribal, municipal or local government or other governmental body, agency, authority, department, commission, board, bureau, instrumentality, arbitrator or arbitral body or any quasi-governmental or private body lawfully exercising any regulatory or taxing authority.

"***GP/MLP Representative***" means such person as is designated in writing by GP to serve in such capacity.

"***Laws***" shall mean any applicable statute, environmental law, common law, rule, regulation, judgment, order, ordinance, writ, injunction or decree issued or promulgated by any Governmental Authority.

"***Party***" and "***Parties***" means the parties to this Agreement.

"***Person***" means an individual, corporation, partnership, joint venture, trust, limited liability company, unincorporated organization or other entity.

“***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 (i) any Share-Based Compensation and (ii) severance costs (other than for Seconded Personnel).

“***Refinery***” means Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company, Gary-Williams Energy Company, LLC, a Delaware limited liability

company, Wynnewood Refining Company, LLC, a Delaware limited liability company and any other direct or indirect subsidiary of CVR involved in the petroleum segment of operations.

“***Seconded Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a full-time basis to the Services Recipients in connection with provision of the Services.

“***Services***” shall consist of those services performed for the Services Recipients as described on Exhibit 1 hereto.

“***Services Recipients***” has the meaning set forth in the Recitals hereinabove.

“***Share-Based Compensation***” means any compensation (whether equity or cash) accruing or payable under any incentive or other compensation plan or program of an employer (including, without limitation, the CVR Energy, Inc. 2007 Long Term Incentive Plan) based upon changes in the equity value of such employer or any of its Affiliates (but excluding MLP and its subsidiaries).

“***Shared Personnel***” means individuals, other than Administrative Personnel, who are employed by CVR or any of its Affiliates and provided on a part-time basis to the Services Recipients in connection with provision of the Services.

ARTICLE II

RETENTION OF CVR; SCOPE OF SERVICES

Section 2.01 Retention of CVR. GP, on its own behalf and for the benefit of the Services Recipients, hereby engages CVR to perform the Services and CVR hereby accepts such engagement and agrees to perform the Services and to provide all Administrative Personnel, Seconded Personnel, and Shared Personnel necessary to perform the Services.

Section 2.02 Scope of Services. The Services shall be provided in accordance with (i) applicable material Governmental Approvals and Laws, (ii) applicable industry standards and (iii) quality standards that, taken as a whole, are not materially less favorable to the Services Recipients compared to those provided to the Services Recipients as of the date of this Agreement.

Section 2.03 Exclusion of Services. At any time, GP or CVR may temporarily or permanently exclude any particular service from the scope of the Services upon 180 days notice.

Section 2.04 Performance of Services by Affiliates or Other Persons. The Parties hereby agree that in discharging its obligations hereunder, CVR may engage any of its Affiliates or other Persons to perform the Services (or any part of the Services) on its behalf and that the performance of the Services (or any part of the Services) by any such Affiliate or Person shall be treated as if CVR performed such Services itself. No such delegation by CVR to Affiliates or other Persons shall relieve CVR of its obligations hereunder.

ARTICLE III

PAYMENT AMOUNT

Section 3.01 Payment Amount. GP shall pay or cause MLP or Fertilizer to pay, to CVR (or its Affiliates as CVR may direct) the amount of any direct or indirect expenses incurred by CVR or its Affiliates in connection with the provision of Services by CVR or its Affiliates (the “***Payment Amount***”), in accordance with the following:

(a) Seconded Personnel. The Payment Amount will include all Personnel Costs of Seconded Personnel, to the extent attributable to the periods during which such Seconded Personnel are provided to the Services Recipients.

(b) Shared Personnel and Administrative Personnel. The Payment Amount will include a prorata share of all Personnel Costs of Shared Personnel and Administrative Personnel (including government and public relations), as determined by CVR on a commercially reasonable basis, based on the percent of total working time that such respective personnel are engaged in performing any of the Services.

(c) Administrative Costs. The Payment Amount will include following:

(i) Office Costs. A prorata share of all office costs (including, without limitation, all costs relating to office leases, equipment leases, supplies, property taxes and utilities) for all locations of Administrative Personnel, as determined by CVR on a commercially reasonable basis, based on the Fertilizer Payroll Percentage;

(ii) Insurance. Insurance premiums will be direct charged to the applicable insured to the extent possible, and otherwise will be allocated on a commercially reasonable basis as mutually agreed upon by the Parties;

(iii) Outside Services. Services provided by outside vendors (including audit services, legal services, government and public relation services, and other services) will first be direct charged where applicable, provided, however, the Payment Amount will include a prorata share of charges for all services that are provided by outside vendors and not direct charged, as determined by CVR on a commercially reasonable basis, based upon the following percentages of such charges: legal services — 20%; and all other services — Fertilizer Payroll Percentage;

(iv) Other SGA Costs. A prorata share of all other sales, general and administrative costs relating to the Services Recipients, as determined by CVR on a commercially reasonable basis, based on the Fertilizer Payroll Percentage; and

(v) Depreciation and Amortization. A prorata share of depreciation and amortization relating to all locations of Administrative Personnel, as determined by CVR on a commercially reasonable basis, based on the Fertilizer

Payroll Percentage, following recognition of such depreciation or amortization as an expense on the books and records of CVR or its Affiliates.

(d) Other Costs. Bank charges, interest expense and any other costs as reasonably incurred by CVR or its Affiliates in the provision of Services will be direct charged as applicable. For the avoidance of doubt, any of the foregoing costs and expenses described in Section 3.01 that are direct charged to any Party will not be included in the Payment Amount.

Section 3.02 Payment of Payment Amount. CVR shall submit monthly invoices to GP for the Services, which invoices shall be due and payable net 15 days. GP shall pay or cause MLP or Fertilizer to pay, to CVR in immediately available funds, the full Payment Amount due under Section 3.01. Past due amounts shall bear interest at the Default Rate. Allocation percentages referred to in this Article III will be calculated and determined for calendar year or calendar quarter periods, as CVR may determine, based upon CVR's annual audited financials, or quarterly unaudited financials, for the immediately preceding calendar year or calendar quarter, as applicable.

Section 3.03 Disputed Charges. GP MAY, WITHIN 90 DAYS AFTER RECEIPT OF A CHARGE FROM CVR, TAKE WRITTEN EXCEPTION TO SUCH CHARGE, ON THE GROUND THAT THE SAME WAS NOT A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH THE SERVICES. GP SHALL NEVERTHELESS PAY OR CAUSE MLP OR FERTILIZER TO PAY IN FULL WHEN DUE THE FULL PAYMENT AMOUNT OWED TO CVR. SUCH PAYMENT SHALL NOT BE DEEMED A WAIVER OF THE RIGHT OF THE SERVICES RECIPIENT TO RECOUP ANY CONTESTED PORTION OF ANY AMOUNT SO PAID. HOWEVER, IF THE AMOUNT AS TO WHICH SUCH WRITTEN EXCEPTION IS TAKEN, OR ANY PART THEREOF, IS ULTIMATELY DETERMINED NOT TO BE A REASONABLE COST INCURRED BY CVR OR ITS AFFILIATES IN CONNECTION WITH ITS PROVIDING THE SERVICES HEREUNDER, SUCH AMOUNT OR PORTION THEREOF (AS THE CASE MAY BE) SHALL BE REFUNDED BY CVR TO THE SERVICES RECIPIENTS TOGETHER WITH INTEREST THEREON AT THE DEFAULT RATE DURING THE PERIOD FROM THE DATE OF PAYMENT BY THE SERVICES RECIPIENTS TO THE DATE OF REFUND BY CVR.

Section 3.04 CVR's Employees. The Services Recipients shall not be obligated to pay directly to Seconded Personnel or Shared Personnel any compensation, salaries, wages, bonuses, benefits, social security taxes, workers' compensation insurance, retirement and insurance benefits, training or other expenses; provided, however, that if CVR fails to pay any employee within 30 days of the date such employee's payment is due:

(a) The Services Recipients may (i) pay such employee directly, (ii) employ such employee directly, or (iii) notify CVR that this Agreement is terminated and employ such employees directly; and

(b) CVR shall reimburse GP, MLP or Fertilizer, as the case may be, for the amount GP, MLP or Fertilizer, as applicable, paid to CVR with respect to employee services for which CVR did not pay any such employee.

ARTICLE IV

BOOKS, RECORDS AND REPORTING

Section 4.01 Books and Records. CVR and its Affiliates and the Services Recipients shall each maintain accurate books and records regarding the performance of the Services and calculation of the Payment Amount, and shall maintain such books and records for the period required by applicable accounting practices or law, or five (5) years, whichever is longer.

Section 4.02 Audits. CVR and its Affiliates and the Services Recipients shall have the right, upon reasonable notice, and at all reasonable times during usual business hours, to audit, examine and make copies of the books and records referred to in Section 4.01. Such right may be exercised through any agent or employee of the Person exercising such right if designated in writing by such Person or by an independent public accountant, engineer, attorney or other agent so designated. Each Person exercising such right shall bear all costs and expenses incurred by it in any inspection, examination or audit. Each Party shall review and respond in a timely manner to any claims or inquiries made by the other Party regarding matters revealed by any such inspection, examination or audit.

Section 4.03 Reports. CVR shall prepare and deliver to GP any reports provided for in this Agreement and such other reports as GP may reasonably request from time to time regarding the performance of the Services.

ARTICLE V

INTELLECTUAL PROPERTY

Section 5.01 Ownership by CVR and License to MLP. Any (i) inventions, whether patentable or not, developed or invented, or (ii) copyrightable material (and the intangible rights of copyright therein) developed, by CVR, its Affiliates or its or their employees in connection with the performance of the Services shall be the property of CVR; provided, however, that CVR hereby grants, and agrees to cause its Affiliates to grant, to MLP an irrevocable, royalty-free, non-exclusive and non-transferable (without the prior written consent of CVR) right and license to use such inventions or material; and further provided, however, that MLP shall only be granted such a right and license to the extent such grant does not conflict with, or result in a breach, default, or violation of a right or license to use such inventions or material granted to CVR by any Person other than an Affiliate of CVR. Notwithstanding the foregoing, CVR will, and will cause its Affiliates to, use all commercially reasonable efforts to grant such right and license to MLP.

Section 5.02 License to CVR and its Affiliates. MLP hereby grants, and will cause its Affiliates to grant, to CVR and its Affiliates an irrevocable, royalty-free, non-exclusive and non-transferable right and license to use, during the term of this Agreement, any intellectual property provided by MLP or its Affiliates to CVR or its Affiliates, but only to the extent such use is

necessary for the performance of the Services. CVR agrees that CVR and its Affiliates will utilize such intellectual property solely in connection with the performance of the Services.

ARTICLE VI

TERMINATION

Section 6.01 Termination By GP.

(a) Upon the occurrence of any of the following events, GP may terminate this Agreement by giving written notice of such termination to CVR:

(i) CVR becomes Bankrupt; or

(ii) CVR dissolves and commences liquidation or winding-up.

Any termination under this Section 6.01(a) shall become effective immediately upon delivery of the notice first described in this Section 6.01(a), or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

(b) In addition to its rights under Section 6.01(b), GP may terminate this Agreement at any time by giving notice of such termination to CVR. Any termination under this Section 6.01(b) shall become effective 180 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by GP.

Section 6.02 Termination By CVR. CVR may terminate this Agreement at any time by giving notice of such termination to GP. Any termination under this Section 6.02 shall become effective 180 days after delivery of such notice, or such later time (not to exceed the first anniversary of the delivery of such notice) as may be specified by CVR.

Section 6.03 Effect of Termination. If this Agreement is terminated in accordance with Section 6.01 or Section 6.02, all rights and obligations under this Agreement shall cease except for (a) obligations that expressly survive termination of this Agreement; (b) liabilities and obligations that have accrued prior to such termination, including the obligation to pay any amounts that have become due and payable prior to such termination, and (c) the obligation to pay any portion of any Payment Amount that has accrued prior to such termination, even if such portion has not become due and payable at that time.

Section 6.04 Transition of Services. During the period of 180 days following the delivery of any notice of termination delivered in accordance with Section 6.01(b) or 6.02, in addition to the Services, CVR will, and will cause its Affiliates to, provide to MLP such additional services as may be reasonably requested by GP to assist the Services Recipients in effecting a transition of the responsibility for providing the Services.

Section 6.05 Survival. The provisions of this Article VI and Sections 3.03, 4.01, 4.02, 5.01, 8.01, 8.02, 8.03 and Articles IX and X will survive and continue in full force and effect notwithstanding the termination of this Agreement.

ARTICLE VII

ADDITIONAL REPRESENTATIONS AND WARRANTIES

Section 7.01 Representations and Warranties of CVR. CVR hereby represents, warrants and covenants to the other Parties that as of the date hereof:

(a) CVR is duly organized, validly existing, and in good standing under the laws of the State of Delaware; CVR is duly qualified and in good standing in the States required in order to perform the Services except where failure to be so qualified or in good standing could not reasonably be expected to have a material adverse impact on GP or MLP; and CVR has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder

(b) CVR has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of CVR, enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by CVR does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the amended and restated certificate of incorporation of CVR, (B) any contract or agreement to which CVR is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which CVR is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clauses (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on CVR or on its ability to perform its obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on CVR or on their ability to perform their obligations hereunder.

Section 7.02 Representations and Warranties of GP and MLP. Each of GP and MLP hereby represents, warrants and covenants to the other Parties that as of the date hereof:

(a) Each of GP and MLP is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation; each of GP and MLP has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;

(b) Each of GP and MLP has duly executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding obligation of each such Person enforceable against it in accordance with its terms (except as may be limited by bankruptcy, insolvency or similar laws of general application and by the effect of general principles of equity, regardless of whether considered at law or in equity); and

(c) The authorization, execution, delivery, and performance of this Agreement by each of GP and MLP does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the limited liability company agreement of GP or the partnership agreement of MLP, (B) any contract or agreement to which such Person is a party or is otherwise subject, or (C) any law, order, judgment, decree, writ, injunction or arbitral award to which such Person is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or other Person, unless such requirement has already been satisfied, except, in the case of clause (i)(B) and (i)(C), for such conflicts, breaches, defaults or violations that would not have a material adverse effect on GP or MLP or on their ability to perform their obligations hereunder, and except, in the case of clause (ii), for such consents, approvals, authorizations, filings, registrations or notices, the failure of which to obtain or make would not have a material adverse effect on GP or MLP or on their ability to perform their respective obligations hereunder.

ARTICLE VIII

ADDITIONAL REQUIREMENTS

Section 8.01 Indemnity. The Services Recipients shall indemnify, reimburse, defend and hold harmless CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives (collectively the "Indemnified Parties"), from and against all losses (including lost profits), costs, damages, injuries, taxes, penalties, interests, expenses, obligations, claims and liabilities (joint or severable) of any kind or nature whatsoever (collectively "Losses") that are incurred by such Indemnified Parties in connection with, relating to or arising out of (i) the breach of any term or condition of this Agreement, or (ii) the performance of any Services hereunder; *provided*, *however*, that the Services Recipients shall not be obligated to indemnify, reimburse, defend or hold harmless any Indemnified Party for any Losses Incurred, by such Indemnified Party in connection with, relating to or arising out of:

(a) a breach by such Indemnified Party of this Agreement;

(b) the gross negligence, willful misconduct, bad faith or reckless disregard of such Indemnified Party in the performance of any Services hereunder; or

(c) fraudulent or dishonest acts of such Indemnified Party with respect to the Services Recipients.

The rights of any Indemnified Party referred to above shall be in addition to any rights that such Indemnified Party shall otherwise have at law or in equity. Without the prior written consent of the Services Recipients, no Indemnified Party shall settle, compromise or consent to the entry of any judgment in, or otherwise seek to terminate any, claim, action, proceeding or investigation in respect of which indemnification could be sought hereunder unless (a) such Indemnified Party indemnifies the Services Recipients from any liabilities arising out of such claim, action, proceeding or investigation, (b) such settlement, compromise or consent includes an unconditional release of the Services Recipients and Indemnified Party from all liability arising

out of such claim, action, proceeding or investigation and (c) the parties involved agree that the terms of such settlement, compromise or consent shall remain confidential. In the event that indemnification is provided for under any other agreements between CVR or any of its Affiliates and any of the Services Recipients or any of their Affiliates, and such indemnification is for any particular Losses, then such indemnification (and any limitations thereon) as provided in such other agreement shall apply as to such particular Losses and shall supersede and be in lieu of any indemnification that would otherwise apply to such particular Losses under this Agreement.

Section 8.02 Limitation of Duties and Liability. The relationship of CVR to the Services Recipients pursuant to this Agreement is as an independent contractor and nothing in this Agreement shall be construed to impose on CVR, or on any of its Affiliates, or on any of their respective successors and permitted assigns, or on their respective employees, officers, members, managers, directors, agents and representatives, an express or implied fiduciary duty. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, shall not be liable for, and the Services Recipients shall not take, or permit to be taken, any action against any of such Persons to hold such Persons liable for, (a) any error of judgment or mistake of law or for any liability or loss suffered by the Services Recipients in connection with the performance of any Services under this Agreement, except for a liability or loss resulting from gross negligence, willful misconduct, bad faith or reckless disregard in the performance of the Services, or (b) any fraudulent or dishonest acts with respect to the Services Recipients. In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall CVR or its Affiliates, their respective successors and permitted assigns, or their respective employees, officers, members, managers, directors, agents and representatives, be liable for loss of profits or revenue or special, incidental, exemplary, punitive or consequential damages.

Section 8.03 Reliance. CVR and its Affiliates and their respective successors and permitted assigns, together with their respective employees, officers, members, managers, directors, agents and representatives, may take and may act and rely upon:

(a) the opinion or advice of legal counsel, which may be in-house counsel to the Services Recipients or to CVR or its Affiliates, any U.S.-based law firm, or other legal counsel reasonably acceptable to the Boards of Directors of GP, in relation to the interpretation of this Agreement or any other document (whether statutory or otherwise) or generally in connection with the Services Recipients;

(b) advice, opinions, statements or information from bankers, accountants, auditors, valuation consultants and other consulted Persons who are in each case believed by the relying Person in good faith to be expert in relation to the matters upon which they are consulted; or

(c) any other document provided in connection with the Services Recipients upon which it is reasonable for the applicable Person to rely.

A Person shall not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, statement, information or document.

Section 8.04 Services to Others. While CVR is providing the Services under this Agreement, CVR shall also be permitted to provide services, including services similar to the Services covered hereby, to others, including Affiliates of CVR.

Section 8.05 Transactions With Affiliates. CVR may recommend to the Services Recipients, and may engage in, transactions with any of CVR's Affiliates; *provided*, that any such transactions shall be subject to the authorization and approval of the Boards of Directors of GP.

Section 8.06 Sharing of Information. Each Party (the "***Recipient Party***") agrees to maintain the confidentiality of, and not to use, the confidential or proprietary information disclosed pursuant to or in connection with this Agreement ("***Confidential Information***") by or on behalf of the other Party (the "***Disclosing Party***") for any purpose whatsoever except in connection with performance pursuant to this Agreement. The obligations undertaken pursuant to this Section do not apply to such part of the Confidential Information that is or has become published or otherwise generally available to the public, other than as a consequence of the willful or negligent act or omission of the Recipient Party, or which, at the time of disclosure to the Recipient Party, was already in the lawful possession of the Recipient Party, as evidenced by written records. The Recipient Party will impose corresponding obligations of confidentiality and non-use on its Affiliates and each of their respective employees, agents and representatives (collectively, "***Representatives***") involved in the performance of this Agreement prior to making the Confidential Information available to them. Any breach of confidentiality or non-use of Confidential Information by any Representative will be deemed a breach of confidentiality or non-use by the Recipient Party. It will not be a breach of the confidentiality obligations herein for the Recipient Party to disclose Confidential Information, where such disclosure is required by law or applicable legal process, provided the Recipient Party agrees to (a) immediately notify the Disclosing Party in writing of the existence, terms and circumstances surrounding such a requirement, and (b) assist the Disclosing Party in seeking a protective order or other appropriate remedy satisfactory to the Disclosing Party (at the expense of the Disclosing Party). If such protective order or other remedy is not obtained (or the Disclosing Party waives compliance with the provisions hereof), (i) the Recipient Party may disclose that portion of the Confidential Information it is legally required to disclose, (ii) the Recipient Party will exercise reasonable efforts to obtain assurance that confidential treatment will be accorded the Confidential Information to be disclosed, and (iii) the Recipient Party will give written notice to the Disclosing Party of the information to be so disclosed as far in advance of its disclosure as practicable. The parties agree that any violation of this Section by the Recipient Party or its Representatives may be enforced by the Disclosing Party by obtaining injunctive or specific relief from a court of competent jurisdiction. Such relief is cumulative and not exclusive of any other remedies available to the Disclosing Party at law or in equity, including, but not limited to, damages and reasonable attorneys' fees.

Section 8.07 Disclosure of Remuneration. CVR shall disclose the amount of remuneration of the Chief Financial Officer and any other officer or employee shared with or seconded to the Services Recipients, to the Board of Directors of GP to the extent required for the Services Recipients to comply with the requirements of applicable law, including applicable Federal securities laws.

Section 8.08 Additional Seconded Personnel or Shared Personnel. CVR and the Board of Directors of GP may agree from time to time that CVR shall provide additional Seconded Personnel or Shared Personnel, upon such terms as CVR and the Board of Directors of GP may mutually agree. Any such individuals shall have such titles and fulfill such functions as CVR and the Services Recipients may mutually agree but subject to compliance with the agreement of limited partnership of MLP.

Section 8.09 Plant Personnel. Personnel performing the actual day-to-day business and operations of Fertilizer at the plant or operating level will be employed by Fertilizer and Fertilizer will bear all Personnel Costs or other costs relating to such personnel.

Section 8.10 Election. The Services Recipients shall cause the election of any Seconded Personnel or Shared Personnel to the extent required by the organizational documents of the Services Recipients. The Board of Directors of GP, after due consultation with CVR, may at any time request that CVR replace any Seconded Personnel and CVR shall, as promptly as practicable, replace any individual with respect to whom such Board of Directors shall have made its request, subject to the requirements for the election of officers under the organizational documents of the Services Recipients but subject to compliance with the agreement of limited partnership of MLP.

ARTICLE IX

DISPUTES

Section 9.01 Resolution of Disputes. The Parties shall in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "Dispute") pursuant to this Article IX. The Parties shall first submit the Dispute to the CVR Representative and the GP/MLP Representative, who shall then meet within fifteen (15) days to resolve the Dispute. If the Dispute has not been resolved within forty-five (45) days after the submission of the Dispute to the CVR Representative and the GP/MLP Representative, the Dispute shall be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator shall be borne equally by the Parties, and the Parties shall pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within ninety (90) days after the Dispute is first submitted to the CVR Representative and the GP/MLP Representative as provided above, then the Parties may exercise all available remedies.

Section 9.02 Multi-Party Disputes. The Parties acknowledge that they or their respective affiliates contemplate entering or have entered into various additional agreements with third parties that relate to the subject matter of this Agreement and that, as a consequence, Disputes may arise hereunder that involve such third parties (each a "Multi-Party Dispute"). Accordingly, the Parties agree, with the consent of such third parties, that any such Multi-Party Dispute, to the extent feasible, shall be resolved by and among all the interested parties consistent with the provisions of this Article IX.

ARTICLE X

MISCELLANEOUS

Section 10.01 Notices. Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile, telegram, telex, cablegram or similar transmission; and a notice, request or consent given under this Agreement is effective on receipt by the Party to receive it; provided, however, that a facsimile or other electronic transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next business day. All notices, requests and consents to be sent to MLP must be sent to GP. All notices, requests and consents (including copies thereof) to be sent to GP must be sent to or made at the address given below for GP.

If to GP or MLP, to:

Byron R. Kelley
President and CEO
2277 Plaza Drive
Suite 500
Sugar Land, Texas 77479
Facsimile: (281) 207-3403

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

If to CVR, to:

John J. Lipinski
President and CEO
2277 Plaza Drive
Suite 500
Sugar Land, Texas 77479
Facsimile: (281) 207-3505

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

Section 10.02 Effect of Waiver or Consent. Except as otherwise provided in this Agreement, a waiver or consent, express or implied, to or of any breach or default by any Party in the performance by that Party of its obligations under this Agreement is not a consent or waiver to or of any other breach or default in the performance by that Party of the same or any other obligations of that Party under this Agreement. Except as otherwise provided in this Agreement, failure on the part of a Party to complain of any act of another Party or to declare another Party in default under this Agreement, irrespective of how long that failure continues, does not constitute a waiver by that Party of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 10.03 Headings; References; Interpretation. All Article and Section headings in this Agreement are for convenience only and will not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, will refer to this Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles

and Sections will, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement, respectively. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, will include all other genders, and the singular will include the plural and vice versa. The terms "include," "includes," "including" or words of like import will be deemed to be followed by the words "without limitation."

Section 10.04 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 10.05 No Third Party Rights. The provisions of this Agreement are intended to bind the parties signatory hereto as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 10.06 Counterparts. This Agreement may be executed in any number of counterparts, all of which together will constitute one agreement binding on the Parties.

Section 10.07 Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS.

Section 10.08 Submission to Jurisdiction; Waiver of Jury Trial. Subject to the provisions of Article IX, each of the Parties hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Agreement may be brought in the courts of the State of Kansas, or in the United States District Court for the District of Kansas and each of the Parties hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Each Party hereby further irrevocably waives any claim that any such courts lack jurisdiction over such Party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby brought in any of the aforesaid courts, that any such court lacks jurisdiction over such Party. Each Party irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices set forth in this Agreement, such service to become effective ten (10) days after such mailing. Each Party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other documents contemplated hereby that service of process was in any way invalid or ineffective. The foregoing shall not limit the rights of any Party to serve process in any other manner permitted by applicable law. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of Kansas for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties. Each of the Parties hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect to this Agreement. To the fullest extent permitted by applicable law, each of the Parties hereby irrevocably waives the objection which it may now or hereafter have to the laying of the venue of any suit, action or

proceeding arising out of or relating to this Agreement in any of the courts referred to in this Section 10.08 and hereby further irrevocably waives and agrees not to plead or claim that any such court is not a convenient forum for any such suit, action or proceeding. The Parties agree that any judgment obtained by any Party or its successors or assigns in any action, suit or proceeding referred to above may, in the discretion of such Party (or its successors or assigns), be enforced in any jurisdiction, to the extent permitted by applicable law. The Parties agree that the remedy at law for any breach of this Agreement may be inadequate and that should any dispute arise concerning any matter hereunder, this Agreement shall be enforceable in a court of equity by an injunction or a decree of specific performance. Such remedies shall, however, be cumulative and nonexclusive, and shall be in addition to any other remedies which the Parties may have. Each Party hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation as between the Parties directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby or disputes relating hereto. Each Party (i) certifies that no representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other Party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other Parties have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 10.08.

Section 10.09 Remedies to Prevailing Party. If any action at law or equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

Section 10.10 Severability. If any provision of this Agreement or the application thereof to any Person or any circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 10.11 Amendment or Modification. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties.

Section 10.12 Integration. This Agreement and the exhibit referenced herein supersede all previous understandings or agreements (including the Original Agreement) among the Parties, whether oral or written, with respect to its subject matter. This Agreement and such exhibit contain the entire understanding of the Parties with respect to its subject matter. In the case of any actual conflict or inconsistency between the terms of this Agreement and the agreement of limited partnership of MLP, the terms of the agreement of limited partnership of MLP shall control. No understanding, representation, promise or agreement, whether oral or written, is intended to be or will be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties after the date of this Agreement.

Section 10.13 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Party shall execute and deliver any additional documents and instruments and perform any additional acts that may be reasonably necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

This Agreement has been duly executed by the Parties as of the date first written above.

CVR PARTNERS, LP

By: CVR GP, LLC
its General Partner

By: /s/ Byron R. Kelley
Name: Byron R. Kelley
Title: Chief Executive Officer and President

CVR GP, LLC

By: /s/ Frank A. Pici
Name: Frank A. Pici
Title: Chief Financial Officer and Treasurer

CVR ENERGY, INC.

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

SERVICES AGREEMENT
SIGNATURE PAGE

Exhibit 1

The Services shall include the following:

- services in capacities equivalent to the capacities of corporate executive officers, except that the persons serving in such capacities shall serve in such capacities as Shared Personnel on a shared, part-time basis only, unless and to the extent otherwise agreed by CVR;

- safety and environmental advice;

- administrative and professional services, including legal, accounting, human resources, insurance, tax, credit, finance, government affairs, and regulatory affairs;

- manage the Services Recipients' day-to-day business and operations, including managing its liquidity and capital resources and compliance with applicable law;

- establishing and maintaining books and records of the Services Recipients in accordance with customary practice and GAAP;

- recommend to the Board of Directors of GP (x) capital raising activities, including the issuance of debt or equity securities of the Services Recipients, the entry into credit facilities or other credit arrangements, structured financings or other capital market transactions, (y) changes or other modifications in the capital structure of the Services Recipients, including repurchases;

- recommend to the Board of Directors of GP the engagement of or, if approval is not otherwise required hereunder, engage agents, consultants or other third party service providers to the Services Recipients, including accountants, lawyers or experts, in each case, as may be necessary by the Services Recipients from time to time;

- manage the Services Recipients' property and assets in the ordinary course of business;

- manage or oversee litigation, administrative or regulatory proceedings, investigations or any other reviews of the Services Recipients' business or operations that may arise in the ordinary course of business or otherwise, subject to the approval of the Board of Directors of GP to the extent necessary in connection with the settlement, compromise, consent to the entry of an order or judgment or other agreement resolving any of the foregoing;

- establish and maintain appropriate insurance policies with respect to the Services Recipients' business and operations;

- recommend to the Board of Directors of GP the payment of dividends or other distributions on the equity interests of the Services Recipients;

- attend to the timely calculation and payment of taxes payable, and the filing of all taxes return due, by the Services Recipients; and

- manage or provide advice or recommendations for other projects of the Services Recipients, as may be agreed to between GP and CVR from time to time.

Exhibit 10.2

LEASE AND OPERATING AGREEMENT
(Phillipsburg UAN Terminal)

THIS LEASE AND OPERATING AGREEMENT (this "***Agreement***") is made effective as of the 4th day of May, 2012, by and between Coffeyville Resources Terminal, LLC, a Delaware limited liability company ("***CRT***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company, ("***CRNF***") (CRT and CRNF are each referred to as a "***Party***" and collectively as the "***Parties***").

CRT and CRNF hereby agree as follows:

1. Premises. Subject to the covenants and conditions of this Agreement, CRT leases to CRNF, and CRNF leases from CRT, the premises located in Phillips County, Kansas and described on Exhibit A attached hereto, including all improvements located thereon (the "***Premises***"). Following the execution of the Agreement, the Parties will undertake efforts to obtain a legal description of the Premises, and once obtained, the term "Premises" will be deemed amended to correspond to such legal description.

2. Use of Premises; Construction and Operation of Terminal.

(a) The Premises may be used for the construction, operation and maintenance of a terminal and storage facility for UAN, an aqueous solution of urea and ammonium nitrate used for fertilizer, including truck and rail loading and unloading facilities, including any future expansion of the same (collectively, the "***UAN Terminal***"). CRNF also has the right to reasonable non-exclusive use of the parking areas, driveways, sidewalks and approaches adjoining or otherwise serving the Premises that are owned or leased by CRT, for the purpose of ingress and egress in connection with CRNF's use of the Premises; provided that all such uses will be subject to such reasonable requirements, restrictions, and rules as CRT may designate from time to time for purposes of coordination of CRNF's use with use by CRT and its employees, agents, contractors, and other invitees, or for purposes of safety, security, preservation of property, or compliance with laws or insurance requirements, as CRT may reasonably determine from time to time. By executing this Agreement, the Parties hereby acknowledge mutual agreement with respect to the initial plans and design of the initial UAN Terminal.

(b) CRNF will develop, build and construct the UAN Terminal on the Premises. CRNF will be responsible for all costs and expenses associated with the development, building and construction of the UAN Terminal, including, but not limited to, costs and expenses of engineering work, construction and labor, and all materials and supplies. CRNF will at all times retain ownership of the UAN Terminal, except for the existing rail spur used for unloading railcars and the maintenance shop located on the Premises, which has been redesigned for use as a truck loading and office facility (such rail spur and shop, together the "***Existing Improvements***"), each of which is depicted on Exhibit B. Except for damage resulting from fire or other insured casualty and ordinary wear and tear, during the Term CRNF will at CRNF's sole cost and expense keep the Premises, including the Existing Improvements, in good order, repair and condition.

(c) During the Term, commencing on the completion of construction of the UAN Terminal, CRT will provide, or will cause its affiliates to provide, a sufficient number of qualified personnel necessary to perform the following services associated with the UAN Terminal (the "***Services***"):

(i) supervision of day-to-day operations;

(ii) day-to-day maintenance associated with the storage facility, rail and truck loading and unloading facilities and associated office facilities**;** and

(iii) unload railcars.

In addition to the Services, following the commencement of operations at the UAN Terminal, CRT will supervise and provide oversight over any future expansion or capital expenditures executed on the Premises ("***Capital Oversight***").

3. Term. The initial term of this Agreement (the "***Initial Term***") is 20 years, commencing effective as of the date hereof (the "***Commencement Date***"), and ending on the twentieth anniversary of the Commencement Date, provided that CRNF may terminate this Agreement during the Initial Term by providing CRT with at least 180 days prior written notice. Following the Initial Term, this Agreement will automatically renew for successive five-year terms (each a "***Renewal Term***", and together with the Initial Term, the "***Term***"), provided that CRNF may terminate this Agreement during any Renewal Term by providing CRT with at least 180 days prior written notice. Each Renewal Term will be upon the same terms and conditions as stated in this Agreement.

4. Fees. In consideration for the lease of the Premises, the performance of the Services and any other obligations (other than Capital Oversight) undertaken by CRT pursuant to this Agreement, CRNF will pay CRT the following fees ("***Fees***"):

(a) rent in the amount of $1.00 per year, payable in advance, commencing on the date hereof and thereafter on each anniversary of the Commencement Date; and

(b) a throughput charge equal to (i) $4.00 per short ton of UAN placed into the UAN Terminal, as measured by the bills of lading for railcars unloaded at the UAN Terminal, and (ii) $4.00 per short ton of UAN removed from the UAN Terminal, as measured by the meters at the truck loading facility, in each case (pursuant to subsections (i) and (ii)) payable monthly within 30 days following receipt of an invoice submitted by CRT to CRNF and providing the total volume of UAN placed into or removed from the UAN Terminal for the preceding month along with the supporting documentation as CRNF may reasonably request. Notwithstanding the foregoing, the throughput charge for UAN placed into, and removed from, the UAN Terminal will increase effective as of the sixth anniversary of the Commencement Date, and on each anniversary date thereafter during the remainder of the Term, to reflect any percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (1982-84 = 100) as published by the United States Department of Labor, Bureau of Labor Statistics (the "***CPI***"), as reflected by any percentage increase between the CPI as most recently published prior to the Commencement Date (the "***Commencement Date CPI***") and the CPI as most recently published prior to the effective date of any such increase in throughput charge (the "***Current CPI***"). In the event of such increase, the throughput charge will be increased by an amount equal to the product obtained by multiplying the original throughput charge by a fraction, the numerator of which will be the Current CPI and the denominator of which will be the Commencement Date CPI. In the event that the CPI ceases to be published or available within 60 days prior to the effective date of any such increase in the throughput charge, then CRT may utilize any similar governmental price index for purposes of determining and computing any applicable increase in throughput charge.

In consideration of Capital Oversight, CRNF agrees to pay CRT an administrative charge equal to 5% - 10% (depending on the scope of the project) of the total cost of any future expansion or capital expenditures executed by CRNF on the Premises (each such project, a "***Capital Project***"), payable ratably over the course of the Capital Project, as mutually agreed upon by the Parties.

5. Possession at Beginning of Term. CRT will give possession of the Premises to CRNF as of the Commencement Date.

6. Condition of Premises.

(a) CRNF acknowledges that CRNF has inspected the Premises and, except as may be provided otherwise in this Agreement and without abrogating CRT's obligations hereunder, CRNF accepts the Premises in its present condition.

(b) Subject to CRNF's rights pursuant to Section 24, at the end of the Term, except for damage caused by fire or other insured casualty, CRNF will at CRNF's expense: (i) surrender the Premises in as good a condition as the permitted uses will have reasonably permitted, subject to normal wear and tear, and subject to all other obligations of CRNF in this Agreement; (ii) within six months following the end of the Term, remove all of CRNF's property from the Premises; (iii) have promptly repaired any damage to the Premises caused by the removal of CRNF's property; and (iv) leave the Premises free of trash and debris.

7. Signs and Advertisements. CRNF will be entitled to place and affix to the Premises and its property located thereon, reasonable signs and advertising as CRNF deems appropriate, so long as such signs comply with local ordinances.

8. Utilities and Services. CRT will pay for and provide all electricity, gas, water, telephone, and heating, ventilating and air conditioning services, used in commercially reasonable quantities by CRNF on the Premises. CRT will also pay for and provide reasonable trash removal and other routine janitorial services for office space within the Premises.

9. Alterations. CRNF will not make any substantial alterations or additions in or to the Premises without the prior written consent of CRT, which consent may not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, CRT acknowledges and agrees that during the Term, CRNF may expand the UAN Terminal within the confines of the Premises, subject to such reasonable requirements, restrictions, and rules as CRT may designate from time to time for purposes of coordination of CRNF's use with use by CRT and its employees, agents, contractors, and other invitees, or for purposes of safety, security, preservation of property, or compliance with laws or insurance requirements, as CRT may reasonably determine from time to time; provided, such requirements, restrictions and rules may

not be unreasonably imposed. The plans and design of any expansion of the UAN Terminal will be mutually agreed upon by the Parties.

10. Taxes and Special Assessments. CRNF will pay all real estate and personal property taxes and special assessments imposed upon the Premises and the UAN Terminal during the Term. To the extent such taxes and assessments cannot be separated from CRT's adjacent and surrounding property, then CRT will pay such taxes and CRNF will reimburse CRT for its proportionate share as mutually agreed upon by the Parties.

11. Compliance with Laws. Each of the Parties will comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Premises, the UAN Terminal or the use thereof, including without limitation ADA, OSHA and like requirements.

12. CRNF Environmental Liability.

(a) CRNF will not store, use or dispose of any toxic or hazardous materials in, on or about the Premises in violation of any law. CRNF, at its sole cost, will comply with all laws relating to CRNF's storage, use and disposal of hazardous or toxic materials. CRNF will be solely responsible for and will defend, indemnify and hold CRT, its affiliates and their respective employees and agents, harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the removal, clean-up, remediation and restoration work and materials necessary to return the Premises, and any other property of whatever nature affected, to their condition existing prior to contamination by CRNF, if and as may be required by applicable laws or regulations. CRNF's obligations under this Section will survive any expiration or termination of this Agreement.

(b) CRNF, at its sole cost, will comply with all laws relating to CRNF's storage, unloading and loading of UAN on the Premises. Subject to the indemnities provided in this Agreement, as between the Parties, CRNF will be solely responsible for and will defend, indemnify and hold CRT, its affiliates and their respective employees and agents, harmless from and against all third party claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with any spill or release of UAN in, on, beneath or about the Premises, including the removal, clean-up, remediation and restoration work and materials necessary to return the Premises, and any other property of whatever nature affected, to their condition existing prior to such spill or release, if and as may be required by applicable laws or regulations. CRNF's obligations under this Section will survive any expiration or termination of this Agreement.

13. CRT Retained Environmental Liability. CRT will be solely responsible for and will defend, indemnify and hold CRNF, its affiliates and their respective employees and agents, harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with, the presence of any toxic or hazardous materials in, on, beneath or about the Premises, at or prior to the commencement of the Term, or thereafter placed, released or discharged in, on, beneath or about the Premises by CRT or any of its affiliates (excluding CRNF) or their respective agents, employees, contractors, subcontractors and invitees. CRT's obligations under this Section will survive any expiration or termination of this Agreement.

14. CRT's Right of Entry. CRT or CRT's agent may, after reasonable advance notice to CRNF, enter the Premises at reasonable hours to examine the same, to show the same to prospective lenders and purchasers, and to do anything CRT may be required to do hereunder or which CRT may deem reasonably necessary for the good of the Premises.

15. CRNF Default; CRT Remedies. A default of this Agreement will occur upon any of the following events:

(a) CRNF fails to pay any Fees or other sums payable hereunder within 10 days after written notice from CRT that the same has not been paid when due; or

(b) CRNF fails to comply with any other provision, covenant, warranty or term of this Agreement, and such failure or noncompliance continues for a period of 30 days after written notice from CRT; provided that CRNF will not be in default if such failure or noncompliance cannot reasonably be cured within such 30 days, so long as CRNF in good faith commences such cure within such 30 days and completes the same within 90 days after such notice; or

(c) CRNF is adjudged a bankrupt, or CRNF makes an assignment for the benefit of its creditors, or a receiver is appointed over any property of CRNF in or upon the Premises or for any part or all of CRNF's property wherever located pursuant to any action, suit or proceeding and such assignment or receivership is not vacated or annulled within 60 days of such assignment or appointment of the receiver.

Upon the occurrence of any of the foregoing events of default by CRNF, CRT will have the right to reenter and repossess the Premises, and CRT will have full rights of use and enjoyment and will have the right to terminate this Agreement. CRT will have the right to recover all Fees and other amounts accrued through the date of CRT's reentry, including all reasonable costs of collection and reasonable attorneys' fees incurred by CRT.

16. CRT Default; CRNF Remedies.

(a) If CRNF believes that CRT has breached or failed to comply with any provision of this Agreement applicable to CRT, CRNF will give written notice to CRT describing the alleged breach or noncompliance. CRT will not be deemed in default under this Agreement if CRT cures the breach or non-compliance within 30 days after receipt of CRNF's notice or, if such failure or noncompliance cannot reasonably be cured within such 30 days, so long as CRT in good faith commences such cure within such 30 days and completes the same within 90 days after such notice

(b) If CRT breaches or fails to comply with any provision of this Agreement applicable to CRT and such breach or noncompliance is not cured within the period of time described in Subparagraph (a) above, then CRNF may (i) terminate this Agreement; and/or (ii) incur any expense necessary to perform the obligation of CRT specified in such notice and set off any amount expended against the next payment of Fees coming due under this Agreement; and/or (iii) sue for injunctive relieve, specific performance and/or damages; and/or (iv) seek any other remedy available at law or in equity.

17. Damage by Casualty. In the event of any fire or other casualty during the Term, then CRNF will determine, in its sole discretion, whether to proceed to repair and/or rebuild the damaged or destroyed UAN Terminal. If CRNF decides not to repair and/or rebuild the damaged or destroyed UAN Terminal, then this Agreement will terminate as of the date of said fire or other casualty. All proceeds of insurance will be disbursed to CRNF, other than any proceeds attributable to the Existing Improvements, which will be disbursed to CRT; provided, in the event of termination and in the event CRNF exercises its right to purchase the Premises pursuant to Section 24, then all of the proceeds will be disbursed to CRNF.

18. Eminent Domain. If, at any time during the Term, there is a total taking or a constructive total taking of fee title to the Premises and improvements thereon in condemnation proceedings or by any right of eminent domain, this Agreement will terminate on the date of such taking and the Fees (if any are still owed) and other charges payable under this Agreement will be apportioned and paid to the date of such taking. For the purposes of this Section, the term "a constructive total taking" means a taking of such scope that the portion of the Premises that was not taken is insufficient to permit restoration of the UAN Terminal to a meaningful use. In the event of any such total taking or constructive total taking, the award or awards for such taking (the "***Condemnation Proceeds***") will be distributed to CRT; provided that CRNF will be entitled to such portion of the Condemnation Proceeds that are specifically allocated to the UAN Terminal (other than the Existing Improvements) by the applicable government authority. In the event of a taking that is less than a total taking or constructive total taking (a "***Partial Taking***"), this Agreement will not terminate or be affected in any way, except that the Fees and other charges payable under this Agreement will be apportioned in relation to the portion of the Premises and portion of the UAN Terminal taken, and the Condemnation Proceeds will be distributed to CRT; provided that CRNF will be entitled to such portion of the Condemnation Proceeds that are specifically allocated to the UAN Terminal (other than the Existing Improvements) by the applicable government authority. In the event of a Partial Taking, CRNF, in its sole discretion and at its sole cost and expense, may restore, repair, replace or rebuild the taken portion of the UAN Terminal.

19. CRNF's Insurance.

(a) CRNF will maintain, at all times during the Term, commercial general liability insurance on ISO form CG 00 01 10 93 or an equivalent form covering liability from premises, operations, independent contractors, property damage, bodily injury, personal injury, products, completed operations and liability assumed under an insured contract, all on an occurrence basis, with limits of liability of not less than Two Million Dollars ($2,000,000) combined single limit.

(b) CRNF will maintain, at all times during the Term, all risk or fire insurance (including standard extended endorsement perils, leakage from fire protective devices and other water damage) relating to the UAN Terminal (other than the Existing Improvements) in amounts which CRNF from time to time reasonably determines sufficient.

(c) At all times during the Term, CRNF will furnish CRT with a certificate or certificates of insurance evidencing such insurance so maintained by CRNF and naming CRT and CRT's mortgagees, if any, as additional insureds.

(d) The Parties acknowledge and agree that the insurance required by this Agreement may be purchased and maintained jointly by the Parties or their affiliates. If such insurance is purchased and maintained jointly and each Party is a named insured thereunder, then the requirements of Section 19(c), Section 20 and Section 21 will be deemed waived by the Parties.

20. CRT's Insurance. CRT will maintain, at all times during the Term, all risk or fire insurance relating to the Premises (but excluding the UAN Terminal other than the Existing Improvements) in amounts that CRT from time to time reasonably determines sufficient or CRT's mortgagee requires.

21. Waiver of Subrogation. As part of the consideration for this Agreement, each of the Parties hereby releases the other Party hereto from all liability for damage due to any act or neglect of the other Party (except as hereinafter provided) occasioned to property owned by said Parties which is or might be incident to or the result of a fire or any other casualty against loss for which either of the Parties is now carrying or hereafter may carry insurance; provided, however, that the releases herein contained will not apply to any loss or damage occasioned by intentional acts of either of the Parties hereto. The Parties hereto further covenant that any insurance they obtain on their respective properties will contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this Section.

22. Indemnification. Each of the Parties (each, an "***Indemnitor***") will indemnify, defend and hold the other Party and its respective officers, directors, members, managers and employees (each, an "***Indemnitee***") harmless from and against all liabilities, obligations, claims, losses, damages, penalties, deficiencies, causes of action, costs and expenses, including, without limitation, attorneys' fees and expenses (collectively, "***Losses***") imposed upon, incurred by or asserted against the person seeking indemnification that are caused by, are attributable to, result from or arise out of the breach of this Agreement by the Indemnitor or the negligence or willful misconduct of the Indemnitor, or of any officers, directors, members, managers, employees, agents, contractors and/or subcontractors acting for or on behalf of the Indemnitor. Any indemnification obligation pursuant to this Section with respect to any particular Losses will be reduced by all amounts actually recovered by the Indemnitee from third parties, or from applicable insurance coverage, with respect to such Losses. Upon making any payment to any Indemnitee, the Indemnitor will be subrogated to all rights of the Indemnitee against any third party in respect of the Losses to which such payment relates, and such Indemnitee will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights. If the Indemnitee receives any amounts from any third party or under applicable insurance coverage subsequent to an indemnification payment by the Indemnitor, then such Indemnitee will promptly reimburse the Indemnitor for any payment made or expense incurred by such Indemnitor in connection with providing such indemnification payment up to the amount received by the Indemnitee, net of any expenses incurred by such Indemnitee in collecting such amount.

23. Indemnification Procedures.

(a) Promptly after receipt by an Indemnitee of notice of the commencement of any action that may result in a claim for indemnification pursuant to Section 22, the Indemnitee will notify the Indemnitor in writing within 30 days thereafter; provided, however, that any omission to so notify the Indemnitor will not relieve it of any liability for indemnification hereunder as to the particular item for which indemnification may then be sought (except to the extent that the failure to give notice is materially prejudicial to the Indemnitor) nor from any other liability that it may have to any Indemnitee. The Indemnitor will have the right to assume sole and exclusive control of the defense of any claim for indemnification pursuant to Section 22, including the choice and direction of any legal counsel.

(b) An Indemnitee will have the right to engage separate legal counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnitee unless (i) the Indemnitor has agreed in writing to pay such fees and expenses, (ii) the Indemnitor has failed to assume the defense thereof and engage legal counsel within a reasonable period of time after being given the notice required above, or (iii) the Indemnitee is advised by its legal counsel that representation of such Indemnitee and other parties by the same legal counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same legal counsel has been proposed) due to actual or potential conflicts of interests between them. It is understood, however, that to the extent more than one Indemnitee is entitled to engage separate legal counsel at the Indemnitor's expense pursuant to clause (iii) above, the Indemnitor will, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having actual or potential conflicting interests with the Indemnitor, unless but only to the extent the Indemnitees have actual or potential conflicting interests with each other.

(c) The Indemnitor will not be liable for any settlement of any action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

(d) The provisions of Sections 22 and 23 will survive any expiration or termination of this Agreement.

24. Purchase Option / Right of First Refusal.

(a) Upon the expiration or termination of this Agreement (other than a termination due to default by CRNF), CRNF may elect to purchase the Premises from CRT by providing written notice of its election with 60 days following such expiration or termination. If CRNF elects to purchase the Premises, the Premises will be sold by CRT to CRNF free and clear of all liens, claims and encumbrances at a price mutually agreed upon by the Parties. If the Parties are unable to reach agreement on the price for any such sale within 30 days of CRT's receipt of written notice from CRNF exercising such purchase option, then the Parties will cause the Premises to be appraised by an independent appraiser mutually acceptable to the Parties. The appraiser will be instructed to render an opinion as to the fair market value of the Premises, and such opinion will be binding on the Parties. CRNF will pay CRT the fair market value of the Premises, as determined by the appraiser, and the Parties will take all other actions necessary to close the purchase within 30 days of receiving the appraiser's report. The costs and expenses of the appraiser will be shared equally by the Parties.

(b) If, during the Term, CRT decides to sell all or any part of the Premises, then CRNF will have a right of first refusal to purchase the Premises being offered for sale by matching any bona fide offer to purchase received by CRT. CRNF's right of first refusal must be exercised within 60 days of CRNF's receipt of notice from CRT of any bona fide offer to purchase, or else CRNF's right of first refusal will be deemed to have been waived with respect to such offer to purchase (but not as to future offers to purchase received by CRT). If any portion of the Premises is sold, CRNF's right of first refusal will terminate and be of no further force or effect with respect to such portion of the Premises that is sold.

25. Assignment and Subletting.

(a) Except as provided in subsection (b) below, CRNF may not assign, transfer or encumber this Agreement and may not sublease the Premises or any part thereof or allow any other person to be in possession thereof without the prior written consent of CRT, in each and every instance, which consent or consents will not be unreasonably withheld or delayed.

(b) Notwithstanding anything to the contrary set forth herein, CRT's consent will not be necessary if (i) a portion of the storage capacity of the UAN Terminal is subleased to CRNF's customers, or (ii) assignment of all or any portion of this Agreement or the subletting of this Agreement is to any of the following: (A) the surviving entity in the event of the merger or consolidation of CRNF with another entity; (B) the purchaser of all or substantially all of CRNF's assets or equity interests; or (C) any "Affiliates" of CRNF. For purposes of this Section, Affiliates means, with respect to any Party, any persons or entities that own or control, are owned or controlled by, or are under common ownership or control with, such Party and such Party's and each of such other person's or entity's respective officers, directors, shareholders, partners, venturers, members, managers, agents and employees. For purposes of this definition of Affiliates, a Party is "owned" by anyone that owns more than 50% of the equity interests in such Party and a Party is "controlled" by anyone that owns sufficient voting interest to control the management decisions of such Party. In addition, CRNF may assign this Agreement to CRNF's lenders for collateral security purposes, provided that in the case of any such assignment each Party agrees (x) to cooperate with the lenders in connection with the execution and delivery of a customary form of lender consent to assignment of contract rights and (y) any delay or other inability of a Party to timely perform hereunder due to a restriction imposed under the applicable credit agreement or any collateral document in connection therewith will not constitute a breach hereunder.

(c) Notwithstanding any permitted assignment or subletting, except for an assignment or subletting in accordance with (b)(ii) above, CRNF will at all times remain directly, primarily and fully responsible and liable for the payment of the Fees and any other amounts

herein specified and for compliance with all of its other obligations under the terms and provisions of this Agreement.

26. Successors. The provisions, covenants and conditions of this Agreement will bind and inure to the benefit of the legal representatives, heirs successors and permitted assigns of each of the Parties hereto, except that no assignment or subletting by CRNF without the written consent of CRT or as otherwise permitted by the terms of this Agreement will vest any rights in the assignee or subtenant of CRNF. If CRT transfers its interest in the Premises during the Term, then CRT will assign to the transferee, and the transferee will assume, this Agreement and CRT's obligations hereunder, subject to the prior written consent of CRNF, which consent will not be unreasonably withheld, conditioned or delayed. If CRT transfers its interest in the Premises notwithstanding CRNF's withholding of its consent, then CRT will remain liable to CRNF with respect to each and every obligation of CRT hereunder to the extent not performed by the transferee.

27. Quiet Possession. CRT agrees, so long as CRNF fully complies with all of the terms, covenants and conditions herein contained on CRNF's part to be kept and performed, CRNF will and may peaceably and quietly have, hold and enjoy the Premises for the Term, it being expressly understood and agreed that this covenant of quiet enjoyment will be binding upon CRT, its heirs, successors or assigns. CRT and CRNF further covenant and represent that each has full right, title, power and authority to make, execute and deliver this Agreement.

28. Bankruptcy. Neither this Agreement nor any interest therein nor any estate hereby created will pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term.

29. Force Majeure. Neither Party will be liable to the other for failure of or delay in performance hereunder (except for the payment of money) to the extent that the failure or delay is due to: war (whether declared or undeclared); fire, flood, lightning, earthquake, storm, tornado, or any other act of God; strikes, lockouts or other labor difficulties; unplanned plant outages; civil disturbances, riot, sabotage, terrorist act, accident, any official order or directive, including with respect to condemnation, or industry-wide requirement by any governmental authority or instrumentality thereof, which, in the reasonable judgment of the Party affected, interferes with such Party's performance under this Agreement; any inability to secure necessary materials and/or services, including, but not limited to, inability to secure materials and/or services by reason of allocations promulgated by governmental agencies; or any other contingency beyond the reasonable control of the affected Party, which interferes with such Party's performance under this Agreement ("***Force Majeure***"). Performance under this Agreement will be suspended (except for the payment of money then due or to become due) during the period of Force Majeure to the extent made necessary by the Force Majeure. No failure of or delay in performance pursuant to this Section will operate to extend the Term of this Agreement. Performance under this Agreement will resume to the extent made possible by the end or amelioration of the Force Majeure event.

Upon the occurrence of any event of Force Majeure, the Party claiming Force Majeure will notify the other Party promptly in writing of such event and, to the extent possible, inform the other Party of the expected duration of the Force Majeure event and the performance to be

affected by the event of Force Majeure under this Agreement. Each Party will designate a person with the power to represent such Party with respect to the event of Force Majeure. The Party claiming Force Majeure will use commercially reasonable efforts, in cooperation with the other Party and such Party's designee, to diligently and expeditiously end or ameliorate the Force Majeure event. In this regard, the Parties will confer and cooperate with one another in determining the most cost-effective and appropriate action to be taken. If the Parties are unable to agree upon such determination, the matter will be determined by dispute resolution in accordance with Section 30.

30. Dispute. The Parties will in good faith attempt to resolve promptly and amicably any dispute between the Parties arising out of or relating to this Agreement (each a "***Dispute***") pursuant to this Section. The Parties will first submit the Dispute to the supervisor of the UAN Terminal or such other person as is designated in writing by CRT (the "***CRT Representative***") and the plant manager of CRNF or such other person as is designated in writing by CRNF (the "***CRNF Representative***"), who will then meet within 15 days to resolve the Dispute. If the Dispute has not been resolved within 45 days after the submission of the Dispute to the CRT Representative and the CRNF Representative, the Dispute will be submitted to a mutually agreed non-binding mediation. The costs and expenses of the mediator will be borne equally by the Parties, and the Parties will pay their own respective attorneys' fees and other costs. If the Dispute is not resolved by mediation within 90 days after the Dispute is first submitted to the CRT Representative and the CRNF Representative as provided above, then the Parties may exercise all available remedies.

31. Notices. Any notice, request, correspondence, information, consent or other communication to any of the Parties required or permitted under this Agreement will be in writing (including facsimile), will be given by personal service or by facsimile, overnight courier service, or certified mail with postage prepaid, return receipt requested, and properly addressed to such Party and will be effective upon receipt. For purposes hereof the proper address of the Parties will be the address stated beneath the corresponding Party's name below, or at the most recent address given to the other Parties hereto by notice in accordance with this Section:

If to CRT, to:

Coffeyville Resources Terminal, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attention: Executive Vice President,
Refining Operations
Facsimile: (281) 207-3575

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

If to CRNF, to:

Coffeyville Resources Nitrogen Fertilizers, LLC
2277 Plaza Drive, Suite 500
Sugar Land, Texas 77479
Attention: Chief Executive Officer
Facsimile: (281) 207-3403

With a copy to:

Edmund S. Gross,
Senior Vice President and General Counsel
CVR Energy, Inc.
10 E. Cambridge Circle, Ste. 250
Kansas City, Kansas 66103
Facsimile: (913) 982-5651

or such other address(es) as either Party designates by registered or certified mail addressed to the other Party.

32. Estoppel Certificates. CRNF will at any time upon not less than 10 days prior written notice from CRT execute, acknowledge and deliver to CRT or to any lender of or purchaser from CRT a statement in writing certifying that this Agreement is unmodified and in full force and effect (or if modified stating the nature of such modification) and the date to which the Fees and other charges are paid in advance, if any, and acknowledging that there are not, to CRNF's knowledge, any uncured defaults on the part of CRT or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises.

33. Waiver. The rights and remedies of CRT and CRNF under this Agreement, as well as those provided or accorded by law, are cumulative, and not exclusive of any other rights or remedies hereunder or allowed by law. A waiver by CRT or CRNF of any breach or breaches, default or defaults of the other Party hereunder will not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default, and it is agreed that the acceptance by CRT of any Fees or other amounts due hereunder subsequent to the date the same should have been paid hereunder, will in no manner alter or affect the covenant and obligation of CRNF to pay any subsequent amounts promptly upon the due date thereof. No receipt of money by CRT after the termination of this Agreement will in any way reinstate, continue or extend the Term.

34. Governing Law and Venue. THIS LEASE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SAID STATE. THE PARTIES AGREE THAT ANY ACTION BROUGHT IN CONNECTION WITH THIS LEASE MAY BE MAINTAINED IN ANY COURT OF COMPETENT JURISDICTION LOCATED IN THE STATE OF KANSAS, AND EACH PARTY AGREES TO SUBMIT PERSONALLY TO THE JURISDICTION OF ANY SUCH COURT AND HEREBY WAIVES THE DEFENSES OF FORUM NON-CONVENIENS OR IMPROPER VENUE WITH RESPECT TO ANY ACTION BROUGHT IN ANY SUCH COURT IN CONNECTION WITH THIS LEASE.

35. Headings. The headings used in this Agreement are for convenience only and will not constitute a part of this Agreement.

36. Amendments. This Agreement may not be amended, modified or waived except by a writing signed by all Parties to this Agreement that specifically references this Agreement and specifically provides for an amendment, modification or waiver of this Agreement.

37. Construction and Severability. Every covenant, term and provision of this Agreement will be construed simply according to its fair meaning and in accordance with industry standards and not strictly for or against either Party. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity will not affect the validity or legality of the remainder of this Agreement.

38. Third-Party Beneficiaries. Except as expressly provided herein, none of the provisions of this Agreement are intended for the benefit of any person except the Parties and their respective successors and permitted assigns.

39. Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire, integrated agreement between the Parties regarding the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties, whether written or oral, regarding the subject matter hereof.

40. Multiple Counterparts. This Agreement may be executed in multiple counterparts (including by facsimile or electronic transmission), each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

41. Memorandum. The Parties agree to execute, acknowledge and deliver to the others a memorandum of lease and operating agreement (or an amendment thereto) reasonably approved by all, which the Parties may subsequently record in the Register of Deeds office for Phillips County, Kansas.

[signature page follows]

Signature Page
To
Lease and Operating Agreement

The Parties have caused this Agreement to be executed as of the date first above written.

COFFEYVILLE RESOURCES TERMINAL, LLC		COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC	
By:	/s/ Robert W. Haugen	By:	/s/ Byron R. Kelley
Name:	Robert W. Haugen	Name:	Byron R. Kelley
Title:	Executive Vice President, Refining Operations	Title:	Chief Executive Officer and President

---

EXHIBIT A

Premises

(see attached)

Exhibit 10.3

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("***Memorandum***") is made and entered into as of May 4, 2012 between Coffeyville Resources Refining & Marketing, LLC, a Delaware limited liability company ("***Refinery Company***"), and Coffeyville Resources Nitrogen Fertilizers, LLC, a Delaware limited liability company ("***Fertilizer Company***"), each a "***Party***" and collectively the "***Parties***".

A. Refinery Company is the owner of certain vacant real property located in the City of Coffeyville, Montgomery County, Kansas (such vacant property, the "***Refinery Property***") and adjacent to the refinery owned and operated by Refinery Company (the "***Refinery***"). Fertilizer Company is the owner of certain vacant real property located in the City of Coffeyville, Montgomery County, Kansas (such vacant property, the "***Fertilizer Property***") and adjacent to the fertilizer plant owned and operated by Fertilizer Company (the "***Fertilizer Plant***").

B. The Parties have been cooperating to enable Fertilizer Company to develop a rail yard on certain property located to the west of the Refinery and Fertilizer Plant, which property is legally described on Exhibit A and generally depicted on the map attached as Exhibit B (such property, the "***Rail Yard Property***"). All or substantially all of the Rail Yard Property is included within the Refinery Property.

C. Refinery Company desires to convey to Fertilizer Company all of the Refinery Property included within the Rail Yard Property (such property, the "***Refinery Exchange Property***"), and in exchange, Fertilizer Company desires to convey to Refinery Company a portion of the Fertilizer Property comparable in size and value to the Refinery Exchange Property, as mutually agreed upon by the Parties (such property, the "***Fertilizer Exchange Property***").

D. The exchange of the Refinery Exchange Property for the Fertilizer Exchange Property is referred to as the "***Exchange***". The Parties desire to set forth the terms of the Exchange in this Memorandum.

The Parties, intending to be legally bound, hereby agree as follows:

1. <u>Exchange of Property</u>. On or before February 1, 2013, as mutually agreed upon by the Parties (the "***Exchange Date***"):

(a) Refinery Company will convey the Refinery Exchange Property to Fertilizer Company by special warranty deed, or such other instrument that is customary in Montgomery County, Kansas to convey fee simple title to real property and is agreed to by the Parties, free and clear of all liens and encumbrances, except for such liens and encumbrances that would be shown on a commitment for title insurance or an accurate survey of the Refinery Exchange Property and, if such commitment or survey are prepared, are approved by Fertilizer Company, such approval not to be unreasonably withheld or delayed; and

---

(b) Fertilizer Company will convey the Fertilizer Exchange Property to Refinery Company by special warranty deed, or such other instrument that is customary in Montgomery County, Kansas to convey fee simple title to real property and is agreed to by the Parties, free and clear of all liens and encumbrances, except for such liens and encumbrances that would be shown on a commitment for title insurance or an accurate survey of the Fertilizer Exchange Property and, if such commitment or survey are prepared, are approved by Refinery Company, such approval not to be unreasonably withheld or delayed.

Notwithstanding the foregoing, Refinery Company will remove or cause to removed with respect to the Refinery Exchange Property, and Fertilizer Company will remove or cause to be removed with respect to the Fertilizer Exchange Property, any liens or encumbrances affecting their respective property that can be removed by payment of money (e.g., mortgages, deeds of trust, tax liens, mechanic's liens, etc.).

2. <u>Payment of Cash</u>. If the Exchange does not occur on or before the Exchange Date, the Parties will cause the Refinery Exchange Property to be appraised by an independent appraiser mutually acceptable to the Parties. The appraiser will be instructed to render an opinion as to the fair market value of the Refinery Exchange Property (the "***Valuation Amount***"), and such opinion will be binding on the Parties. Fertilizer Company will pay the Valuation Amount in cash to Refinery Company (the "***Cash Payment***") within 30 days of receiving the appraiser's report (the "***Payment Date***"). Upon making the Cash Payment, Fertilizer Company will have no further obligation to convey the Fertilizer Exchange Property to Refinery Company.

3. <u>Acknowledgement of Value</u>. The Parties acknowledge and agree that there is certain tangible and intangible value to be derived by each Party as a result of the exchanges described in this Memorandum, and each Party agrees that it has taken such value into account in assessing the consideration to be received by it in connection with the transactions described in this Memorandum.

4. <u>Additional Action and Documentation</u>. The Parties agree to take such further action and execute and deliver such further documentation as may be necessary and commercially reasonable to perform the transactions described in this Memorandum.

5. <u>Counterparts</u>. This Memorandum and other documents to be delivered pursuant to this Memorandum may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the Parties and delivered to the other Parties. A manual signature, an image of which has been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Memorandum or other documents to be delivered pursuant to this Memorandum, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Memorandum or such other document for all purposes.

[signatures on following page]

The Parties have executed and delivered this Memorandum as of the date first set forth above.

COFFEYVILLE RESOURCES REFINING & MARKETING, LLC

By: /s/ Robert W. Haugen
Name: Robert W. Haugen
Title: EVP, Refining Operations

COFFEYVILLE RESOURCES NITROGEN FERTILIZERS, LLC

By: /s/ Byron R. Kelley
Name: Byron R. Kelley
Title: Chief Executive Officer

EXHIBIT A

Rail Yard Property

Lots 1 through 16, Block 2, Sterling Addition to the City of Coffeyville;

Lots 1 through 16, Block 3, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block B, Upham’s Pottery Addition to the City of Coffeyville;

Lots 1 through 5, Block C, Upham’s Pottery Addition to the City of Coffeyville;

Lots 1 through 4, Block D, Upham’s Pottery Addition to the City of Coffeyville;

Lots 1 through 8, Block 4, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block 11, River View Place Addition to the City of Coffeyville;

Lots 1 through 6, Block 12, River View Place Addition to the City of Coffeyville;

Lots 4 through 6, Block 3, Zeller’s Addition to the City of Coffeyville;

Lots 1 through 16, Block 8, River View Place Addition to the City of Coffeyville;

Lots 1 through 16, Block 5, River View Place Addition to the City of Coffeyville;

Lots 1 through 8, Block 2, River View Place Addition to the City of Coffeyville;

Lots 1 through 5, Block 1, River View Place Addition to the City of Coffeyville;

Lots 1 through 12, Hill’s Addition to the City of Coffeyville;

Block 4, Montgomery’s Addition to the City of Coffeyville;

Lot 5, Block C, Upham’s Pottery Addition to the City of Coffeyville, EXCEPT the West 50’ thereof; and ALSO beginning at the Southeast corner of said Lot 5, thence East 150’ m/l to the West line of the ROW of the M.K. & T. Railway, thence in a Northeast direction along the West said ROW 300’, thence West 150’ m/l to the Northeast corner of Lot 1, Block C, Upham’s Pottery Addition, thence Southwest parallel to the West line of said ROW 300’ to POB; and ALSO beginning at the Southwest corner of Lot 5, Block C, thence South 25’, thence East to the West line of said M.K.& T. Railway ROW, thence Northeast along the West line of said ROW to the Southeast corner of 2nd description herein, thence West to the POB, all in Montgomery County, Kansas;

Block E, Upham’s Pottery Addition;

Tract A, Commencing at a point 315.25’ West of the West line of the Southern Kansas Railroad, now A.T.& Santa Fe Railroad, thence South 112’, thence East 50’, thence North 112’, thence West 50’ the same being the West most Lot in a tract of land described as follows: Commencing on the West line of the Atchison, Topeka and Santa Fe Railroad, formerly the Southern Kansas Railroad property, 1257.5’ North of the North line of highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34, R 16, thence West 315.25’, thence South 112’, thence East 289.25’ to the West line of ROW, North along rail line to POB, Montgomery County, Kansas;

Tract B, A tract of land located in a portion of the East ½ of the Northwest ¼ of S 36, T 34S, R 16, East of the 6th P.M., Montgomery County, Kansas said tract being more particularly described as follows: Commencing at the Southeast corner of Lot 1, Block D, Upham’s Pottery Addition, City of Coffeyville, thence North 90°00’00”East along the North line of Lot 1, Block E, said Upham’s Pottery Addition a distance of 50’ to the POB, thence continuing North

90°00’00”East along said North line a distance of 50’, thence North 0°27’30”West a distance of 126.14’, thence South 90°00’00”West a distance of 50’, thence South 00°27’30”East a distance of 126.14’ to the POB, Montgomery County, Kansas; and

Tract C, Beginning at a point 165.25’ West of a point on the West line of the A.T. & S.F. Railroad ROW, 1257.7’ North of the North line of the highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34S, R 16 East of the 6th P.M., running thence South 112’, thence West 50’, thence North 112’, thence East 50’ to the POB, All in Montgomery County, Kansas,

---

EXHIBIT B

Map

(see attached)

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)) 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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) 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

   c) 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: August 2, 2012

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, Byron R. Kelley, 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)) 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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) 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

   c) 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/ BYRON R. KELLEY

Byron R. Kelley
Chief Executive Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Date: August 2, 2012

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, Frank A. Pici, 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) 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 subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) 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

   c) 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/ FRANK A. PICI

Frank A. Pici
Chief Financial Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Date: August 2, 2012

Exhibit 32.1

Certification of the 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 partnership (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2012, 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: August 2, 2012

Exhibit 32.2

Certification of the 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 partnership (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Byron R. Kelley, 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/ BYRON R. KELLEY

Byron R. Kelley
Chief Executive Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Dated: August 2, 2012

Exhibit 32.3

Certification of the 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 partnership (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank A. Pici, 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/ FRANK A. PICI

Frank A. Pici
Chief Financial Officer of CVR GP, LLC,
the general partner of CVR Partners, LP

Dated: August 2, 2012