

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

**FORM 8-K/A**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 14, 2008 (January 31, 2008)**

**Vanguard Natural Resources, LLC**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation)

**001-33756**  
(Commission File Number)

**61-1521161**  
(IRS Employer Identification  
No.)

**7700 San Felipe, Suite 485**  
**Houston, Texas 77063**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(832) 327-2255**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.01. Completion of Acquisition of Assets.**

On December 28, 2007, Vanguard Natural Resources, LLC (the “Company”) filed a Current Report on Form 8-K announcing that its wholly-owned subsidiary, Vanguard Permian, LLC, had entered into a Purchase and Sale Agreement, dated December 21, 2007, with Apache Corporation (the “PSA”) to purchase certain producing and non-producing oil and gas properties in the Permian Basin in Texas and New Mexico (the “Purchased Assets”) for approximately \$78.3 million in cash (the “Acquisition”), subject to adjustment.

The Purchased Assets have total estimated proved reserves of 5.1 MMboe as of December 31, 2007, of which approximately 84% is oil and 88% is proved developed and include both operated and non-operated wells. Based on the current net daily production of approximately 800 BOEPD, the Purchased Assets have a reserve to production ratio of approximately 15 years. At the closing, Apache Corporation assigned, and the Company agreed to cause Vanguard Natural Gas, LLC, a wholly-owned subsidiary of the Company to assume oil swap derivative contracts covering approximately 90% of the estimated proved producing oil production from the Purchased Assets through 2011 at a weighted average price of \$87.29.

The closing of the transaction contemplated in the PSA was completed on January 31, 2008 for an adjusted purchase price of \$73.4 million, subject to final purchase price adjustments to be determined. Pursuant to Item 9.01 of Form 8-K, the Company hereby provides the statements of revenues and direct operating expenses for the Purchased Assets and the pro forma balance sheet of the Company reflecting the acquisition of the Purchased Assets as if the transaction occurred on December 31, 2007.

**Item 9.01. Financial Statements and Exhibits.**

(a) Financial Statements of Business Acquired

The audited statement of combined revenues and direct operating expenses for the Purchased Assets for the years ended December 31, 2007, 2006 and 2005 is filed as Exhibit 99.1 hereto and incorporated herein by reference.

(b) Pro Forma Balance Sheet

The unaudited pro forma consolidated balance sheet of Vanguard Natural Resources, LLC as of December 31, 2007 is filed as Exhibit 99.2 hereto and incorporated herein by reference.

(c) Exhibits.

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
Exhibit 99.1	Audited Statement of Combined Revenues and Direct Operating Expenses of the Oil and Gas Properties Purchased by Vanguard Natural Resources, LLC from Apache Corporation for the years ended December 31, 2007, 2006 and 2005.
Exhibit 99.2	Unaudited Pro Forma Consolidated Balance Sheet of Vanguard Natural Resources, LLC as of December 31, 2007

**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 hereunto duly authorized.

**VANGUARD NATURAL RESOURCES, LLC**

By: /s/ Scott W. Smith  
Name: Scott W. Smith  
Title: President and Chief Executive Officer

April 14, 2008

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## EXHIBIT INDEX

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Exhibit 99.2	Unaudited Pro Forma Consolidated Balance Sheet of Vanguard Natural Resources, LLC as of December 31, 2007

**STATEMENT OF COMBINED REVENUES AND DIRECT OPERATING EXPENSES OF THE OIL AND GAS PROPERTIES PURCHASED  
BY VANGUARD NATURAL RESOURCES, LLC FROM APACHE CORPORATION FOR THE YEARS ENDED DECEMBER 31, 2007, 2006  
AND 2005**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Apache Corporation:

We have audited the accompanying statement of combined revenues and direct operating expenses of the oil and gas properties purchased by Vanguard Natural Resources, LLC from Apache Corporation (the Company) for each of the three years in the period ended December 31, 2007. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting of the oil and gas properties purchased by Vanguard Natural Resources, LLC from Apache Corporation. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Vanguard Natural Resources, LLC's Form 8-K/A and is not intended to be a complete financial presentation of the properties described above.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined revenues and direct operating expenses of the oil and gas properties purchased by Vanguard Natural Resources, LLC from Apache Corporation for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

ERNST & YOUNG LLP

Houston, Texas  
April 4, 2008

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**STATEMENT OF COMBINED REVENUES AND DIRECT OPERATING EXPENSES  
OF THE OIL AND GAS PROPERTIES PURCHASED BY VANGUARD NATURAL RESOURCES, LLC FROM APACHE CORPORATION  
(In thousands)**

	December 31,		
	2007	2006	2005
Revenues	\$ 18,205	\$ 18,117	\$ 16,602
Direct operating expenses	(6,624)	(6,044)	(5,638)
Excess of revenues over direct operating expenses	\$ 11,581	\$ 12,073	\$ 10,964

The accompanying notes are an integral part of this financial statement.

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**NOTES TO STATEMENT OF COMBINED REVENUES AND  
DIRECT OPERATING EXPENSES OF THE OIL AND GAS PROPERTIES  
PURCHASED BY VANGUARD NATURAL RESOURCES, LLC FROM APACHE CORPORATION**

**(1) THE PROPERTIES**

On January 31, 2008, Vanguard Natural Resources, LLC (“Vanguard”), through its wholly-owned subsidiary Vanguard Permian, LLC, consummated a transaction to purchase oil and natural gas producing properties in the Permian basin of West Texas and New Mexico (the “Permian Properties”), for \$78.3 million in cash from Apache Corporation (“Apache”), subject to normal closing adjustments, with an effective date of October 1, 2007. After consideration of preliminary closing adjustments of \$4.9 million, total consideration for the Permian Properties was \$73.4 million.

**(2) BASIS FOR PRESENTATION**

During the periods presented, the Permian Properties were not accounted for or operated as a separate division by Apache. Certain costs, such as depreciation, depletion and amortization, interest, accretion, general and administrative expenses, and corporate income taxes were not allocated to the individual properties. Accordingly, full separate financial statements prepared in accordance with generally accepted accounting principles do not exist and are not practicable to obtain in these circumstances.

Revenues and direct operating expenses included in the accompanying statement represent Vanguard’s net working interest in the properties acquired for the three annual periods prior to the closing date and are presented on the accrual basis of accounting. Depreciation, depletion and amortization, interest, accretion, general and administrative expenses and corporate income taxes have been excluded. The financial statement presented is not indicative of the results of operations of the acquired properties going forward due to changes in the business and inclusion of the above mentioned expenses.

**(3) COMMITMENTS AND CONTINGENCIES**

Pursuant to the terms of the Purchase and Sale Agreement between Vanguard and Apache, any claims, litigation or disputes pending as of the effective date (October 1, 2007) or any matters arising in connection with ownership of the properties prior to the effective date are retained by Apache. Notwithstanding this indemnification, Vanguard is not aware of any legal, environmental or other commitments or contingencies that would have a material effect on the statement of combined revenues and direct operating expenses.

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**SUPPLEMENTAL OIL AND GAS INFORMATION**  
**(UNAUDITED)**

**OIL AND GAS RESERVE INFORMATION**

Proved oil and gas reserve quantities are based on internal estimates prepared by Vanguard and from information provided by Apache, in accordance with guidelines established by the Securities and Exchange Commission.

There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production and timing of development expenditures. The following reserve data represents estimates only and should not be construed as being exact.

	<u>Natural Gas</u> (MMcf)	<u>Crude Oil and Natural Gas Liquids</u> (Mbbbl)
<b>Total proved reserves:</b>		
Balance, December 31, 2004	4,812	5,167
Production	(294)	(275)
Extensions, discoveries and improved recovery	52	110
Revisions of previous estimates	<u>355</u>	<u>(282)</u>
Balance, December 31, 2005	4,925	4,720
Production	(294)	(259)
Extensions, discoveries and improved recovery	53	92
Revisions of previous estimates	<u>(329)</u>	<u>(247)</u>
Balance, December 31, 2006	4,355	4,306
Production	(247)	(239)
Extensions, discoveries and improved recovery	31	51
Revisions of previous estimates	<u>642</u>	<u>187</u>
Balance, December 31, 2007	<u>4,781</u>	<u>4,305</u>
<b>Proved developed reserves:</b>		
Balance, December 31, 2004	<u>3,912</u>	<u>4,257</u>
Balance, December 31, 2005	<u>4,080</u>	<u>3,907</u>
Balance, December 31, 2006	<u>3,839</u>	<u>3,742</u>
Balance, December 31, 2007	<u>3,677</u>	<u>3,899</u>

**SUPPLEMENTAL OIL AND GAS INFORMATION**  
**(UNAUDITED)**

**FUTURE NET CASH FLOWS**

Future cash inflows are based on year-end oil and gas prices except in those instances where future natural gas or oil sales are covered by physical contract terms providing for higher or lower amounts. Operating costs, production and ad valorem taxes and future development costs are based on current costs with no escalation.

The following table sets forth unaudited information concerning future net cash flows for oil and gas reserves. Future income tax expense has not been computed as Vanguard is not a tax paying entity. This information does not purport to present the fair market value of Vanguard's oil and gas assets, but does present a standardized disclosure concerning possible future net cash flows that would result under the assumptions used.

	<b>December 31,</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
Cash inflows	\$ 422,347	\$ 271,513	\$ 308,822
Production costs	(137,079)	(102,206)	(93,549)
Development costs	(2,257)	(1,898)	(2,869)
Net cash flows	283,011	167,409	212,404
10 percent discount rate	(157,566)	(93,205)	(118,256)
Discounted future net cash flows	<u>\$ 125,445</u>	<u>\$ 74,204</u>	<u>\$ 94,148</u>

The following table sets forth the principal sources of change in discounted future net cash flows.

	<b>For the Year Ended December 31,</b>		
	<b>2007</b>	<b>2006</b>	<b>2005</b>
Beginning of year	\$ 74,204	\$ 94,148	\$ 70,503
Sales, net of production costs	(11,581)	(12,073)	(10,964)
Net change in prices and production costs	49,665	(12,783)	31,176
Extensions, discoveries and improved recovery, net of costs	2,174	2,480	2,998
Change in future development costs	(359)	971	(355)
Accretion of discount	7,420	9,415	7,050
Revision of quantity estimates	7,286	(4,449)	(3,837)
Change in production rates, timing and other	(3,364)	(3,505)	(2,423)
End of year	<u>\$ 125,445</u>	<u>\$ 74,204</u>	<u>\$ 94,148</u>

Vanguard Natural Resources, LLC

Unaudited Pro Forma Consolidated Balance Sheet

The Company acquired certain producing and non-producing oil and gas properties and related liabilities from Apache on January 31, 2008. The following pro forma consolidated balance sheet has been prepared to reflect the acquisition as if it occurred on December 31, 2007. Pro forma statements of operations have not been provided as the use of forward-looking information would be necessary to meaningfully present the effects of the acquisition. This unaudited pro forma balance sheet has been prepared for comparative purposes only and may not reflect what would have occurred if the Company had completed the acquisition at an earlier date. This pro forma balance sheet should be read in conjunction with the audited December 31, 2007 consolidated financial statements of Vanguard Natural Resources, LLC.

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**Vanguard Natural Resources, LLC and Subsidiaries**  
**Unaudited Pro Forma Consolidated Balance Sheet**  
**As of December 31,**

	Vanguard Historical 2007	Pro Forma Adjustments		Vanguard Pro Forma As Adjusted 2007
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 3,109,563	\$ —		\$ 3,109,563
Trade accounts receivable, net	4,372,731			4,372,731
Derivative assets	4,017,085			4,017,085
Other currents assets	453,198			453,198
<b>Total current assets</b>	<u>11,952,577</u>	<u>—</u>		<u>11,952,577</u>
<b>Property and equipment</b>				
Furniture and fixtures	72,893			72,893
Machinery and equipment	138,719			138,719
Less: accumulated depreciation	(45,157)			(45,157)
<b>Total property and equipment</b>	<u>166,455</u>	<u>—</u>		<u>166,455</u>
<b>Natural gas and oil properties, net - full cost method</b>	106,983,349	73,393,177	(a)	182,225,433
		601,120	(a)	
		1,247,787	(a)	
<b>Other assets</b>				
Derivative assets	1,329,511			1,329,511
Deferred financing costs	941,833	—		941,833
Non-current deposits	8,285,883	(7,830,000)	(b)	455,883
Other assets	1,519,577	—		1,519,577
<b>Total assets</b>	<u>\$ 131,179,185</u>	<u>\$ 67,412,084</u>		<u>\$ 198,591,269</u>
<b>Liabilities and members' equity</b>				
<b>Current liabilities</b>				
Accounts payable - trade	\$ 1,056,627	\$ —		\$ 1,056,627
Accounts payable - natural gas and oil	257,073			257,073
Payables to affiliates	3,838,328			3,838,328
Derivative liabilities	—	467,961	(a)	467,961
Accrued expenses	203,159			203,159
<b>Total current liabilities</b>	<u>5,355,187</u>	<u>467,961</u>		<u>5,823,148</u>
Long-term debt	37,400,000	65,563,177	(b)	102,963,177
Derivative liabilities	5,903,384	133,159	(a)	6,036,543
Asset retirement obligations	189,711	1,247,787	(a)	1,437,498
<b>Total liabilities</b>	<u>48,848,282</u>	<u>67,412,084</u>		<u>116,260,366</u>
<b>Commitments and contingencies</b>				
<b>Members' equity</b>				
Members' capital, 10,795,000 common units issued and outstanding at December 31, 2007	90,257,856			90,257,856
Class B units, 420,000 issued and outstanding at December 31, 2007	2,131,995			2,131,995
Other comprehensive loss	(10,058,948)			(10,058,948)
<b>Total members' equity</b>	<u>82,330,903</u>	<u>—</u>		<u>82,330,903</u>
<b>Total liabilities and members' equity</b>	<u>\$ 131,179,185</u>	<u>\$ 67,412,084</u>		<u>\$ 198,591,269</u>

*See notes to unaudited pro forma consolidated balance sheet*

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**Vanguard Natural Resources, LLC and Subsidiaries**  
**Notes to Unaudited Pro Forma Consolidated Balance Sheet**

- (a) To record the acquisition of certain producing and non-producing oil and gas properties and related liabilities from Apache. Total cash consideration of \$73.4 million (after consideration of preliminary purchase price adjustments of \$4.9 million) plus assumption of oil swap derivative contracts for oil production from February 2008 through December 2011 (\$0.6 million) and asset retirement obligation (\$1.2 million).
- (b) To record the financing of the acquisition with borrowings from the Company's reserve-based credit facility. The Company paid a cash deposit of \$7.8 million upon signing the Purchase and Sale Agreement on December 21, 2007 and thus this portion of the financing was included in the Company's debt balance at December 31, 2007.