

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): **July 30, 2008 (July 28, 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 July 28, 2008, pursuant to a Purchase and Sale Agreement dated July 18, 2008 (the "Purchase Agreement"), Vanguard Natural Resources, LLC (the "Company"), through its wholly-owned subsidiary Vanguard Permian, LLC consummated the acquisition of certain producing and non-producing oil and gas properties from Segundo Navarro Drilling, Ltd., an affiliate of the Lewis Energy Group ("Lewis"), in South Texas (the "Purchased Assets") for approximately \$53.4 million in cash and Company units (the "Acquisition"). The consideration included \$32.04 million in cash and \$21.36 million in Company units or 1,350,873 units determined based on the 20 day average closing price of the units on the NYSE Arca prior to the closing date of the transaction (\$15.81).

The Purchased Assets have total estimated proved reserves of 20 Bcfe as of June 1, 2008, of which approximately 98% is natural gas and 65% is proved developed. These reserves have a 1,150 Btu content. Lewis will continue to operate all of the wells acquired in this transaction and will operate the undeveloped portion of the properties, which Vanguard and Lewis will jointly develop. Based on the current net daily production of approximately 3,000 Mcf, the properties have a reserve to production ratio of approximately 18 years.

The \$32.04 million cash portion of the purchase price was funded from borrowings under the Company's reserve-based credit facility and cash on hand. The purchase price is subject to final purchase price adjustments to be determined based on an effective date of June 1, 2008.

Pursuant to closing, Lewis assigned and the Company assumed natural gas swaps and collars based on Houston Ship Channel pricing for approximately 85% of the estimated gas production from existing producing wells for the period beginning July 2008 through December 2011. A schedule of the hedges acquired in this transaction is shown below:

<u>Period</u>	<u>Volume (Mmbtu)</u>	<u>Hedge</u>	<u>Pricing (1)</u>
July-December 2008	527,800	Collar	\$11.40-12.85
2009	970,800	Swap	\$11.00
2010	843,900	Swap	\$10.07
2011	762,200	Swap	\$9.75

- (1) All prices are Houston Ship Channel first of month index prices. The Swap prices shown for 2009-2011 are weighted average prices for the calendar year.

The parties have made customary representations, warranties, covenants and agreements in the Purchase Agreement.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full text of the Purchase Agreement, which was attached as Exhibit 10.1 to the Company's Form 8-K filed on July 21, 2008 and incorporated herein by reference.

**Item 7.01 Regulation FD Material.**

On July 30, 2008, the Company issued a press release announcing the consummation of the Acquisition, a copy of which is filed as Exhibit 99.1 hereto and incorporated herein by reference.

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

- (d) Exhibits.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
Exhibit 99.1	Press Release dated July 30, 2008

**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

July 30, 2008

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**EXHIBIT INDEX**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
Exhibit 99.1	Press Release dated July 30, 2008

## Vanguard Natural Resources, LLC Announces Closing of South Texas Acquisition

HOUSTON--(BUSINESS WIRE)--Vanguard Natural Resources, LLC (NYSE Arca:VNR) (“Vanguard” or “Company”) today announced it has consummated its previously announced acquisition of natural gas and oil producing properties from an affiliate of the Lewis Energy Group (“Lewis”) for a purchase price of approximately \$53.4 million in cash and Company units. The consideration included \$32.04 million in cash and \$21.36 million in Company units or 1,350,873 units determined based on the 20 day average closing price of the units on the NYSE Arca prior to the closing date of the transaction (\$15.81). The purchase price is subject to final purchase price adjustments to be determined based on an effective date of June 1, 2008.

The acquired properties are located in the Dos Hermanos Field in Webb County, Texas, and have the following characteristics:

- Estimated proved reserves of 20 Bcfe
- 65% proved developed
- 5 year inventory of proved undeveloped locations based on drilling plan of six to eight wells per year
- 98% natural gas
- Natural gas BTU content of 1,150
- Reserve to production ratio of approximately 18 years
- Approximately 3,000 mcf of net daily production

Pursuant to closing, the Company assumed the following natural gas hedges:

Period	Volume (Mmbtu)	Hedge	Pricing (1)
July-December 2008	527,800	Collar	\$11.40-12.85
2009	970,800	Swap	\$11.00
2010	843,900	Swap	\$10.07
2011	762,200	Swap	\$9.75

(1) All prices are Houston Ship Channel first of month index prices. The swap prices shown for 2009-2011 are weighted average prices for the calendar year.

Scott W. Smith, President and Chief Executive Officer of Vanguard commented, “We are pleased to announce the closing of this acquisition of long-life natural gas properties and the establishment of an ongoing relationship with the Lewis Energy Group, the leading oil and gas producer in the Olmos trend of South Texas. Lewis has over 25 years of experience in exploration and development of this prolific gas producing trend and operates over 1,000 wells which currently produce approximately 67,000 mcf/d net to Lewis’ interest. With this transaction, Lewis has become one of our largest unitholders and we look forward to benefitting from their operational expertise with these properties and working with them as we jointly develop our multi-year inventory of proved undeveloped locations. This acquisition is immediately accretive to distributable cash flow and adds an additional geographic region to our property portfolio. In addition, as part of this transaction, we will assume attractive natural gas hedges covering approximately 85% of the estimated proved developed natural gas production through 2011. This hedging program ensures a stable cash flow from these assets and we therefore intend to recommend an increase in the quarterly distribution rate at our next Board meeting in August.”

The acquisition was funded with borrowings under Vanguard's existing credit facility and cash on hand and through the issuance of 1,350,873 Vanguard units. These units are subject to a 180 day lock-up agreement.

Vanguard Natural Resources, LLC is a publicly-traded limited liability company focused on acquiring, producing and developing oil and natural gas properties. Vanguard's assets consist primarily of producing and non-producing natural gas and oil reserves located in the southern portion of the Appalachian Basin, the Permian Basin and South Texas.

We make statements in this news release that are considered forward-looking statements within the meaning of the Securities Exchange Act of 1934. These forward-looking statements are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this news release are not guarantees of future performance, and we cannot assure you that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the "Risk Factors" section in our SEC filings and elsewhere in those filings. All forward-looking statements speak only as of the date of this news release. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

CONTACT:

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Investor Relations

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