

**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): **April 21, 2011 (April 18, 2011)**

**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.)

**5847 San Felipe, Suite 3000**

**Houston, Texas 77057**

(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 8.01. Other Events.**

On December 31, 2010, Vanguard Natural Resources, LLC (the “Company”) completed the acquisition by its wholly-owned subsidiary, Vanguard Natural Gas, LLC (“VNG”), of all of the member interests in Encore Energy Partners GP LLC (“ENP GP”), the general partner of Encore Energy Partners LP (“ENP”) (the “Acquisition”).

As previously reported on the Current Report on Form 8-K filed on January 3, 2011 by the Company, in connection with the closing of the Acquisition, the Company adopted policies relating to the conflicts of interest among the Company, ENP GP and ENP that may arise in connection with certain business opportunities (the “Business Opportunity Policy”). The Business Opportunity Policy addresses (i) standards for independence and separateness of the Boards of Directors of the Company, ENP GP and the Conflicts Committees of the respective Boards of Directors in the event of a material transaction between either the Company, on one hand, and ENP on the other hand, and (ii) procedures for the apportionment of business opportunities between the Company and ENP. On April 18, 2011, the Company amended the Business Opportunity Policy to revise the procedures for the apportionment of business opportunities between the Company and ENP (the “Revised Business Opportunity Policy”). The Revised Business Opportunity Policy provides that if a business opportunity with a purchase price in excess of \$25 million arises in areas in which neither ENP or the Company operate, the party receiving the opportunity will inform the other party of the opportunity and allow the other party to participate on a 50/50 basis unless rejected by, in the case of the Company, its Board of Directors, Conflicts Committee or another committee and, in the case of ENP, the Conflicts Committee of ENP GP.

The description of the Revised Business Opportunity Policy in this Item 8.01 is qualified in its entirety by reference to the full text of the Revised Business Opportunity Policy, which is filed as Exhibit 99.1 hereto and incorporated herein by reference.

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

(d) Exhibits.

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
Exhibit 99.1	Business Opportunity Policy adopted by Vanguard Natural Resources, LLC as of April 18, 2011.

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**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, Chief Executive Officer and Director

April 21, 2011

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**EXHIBIT INDEX**

**EXHIBIT NUMBER**

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**DESCRIPTION**

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Exhibit 99.1

Business Opportunity Policy adopted by Vanguard Natural Resources, LLC as of April 18, 2011.

**STATEMENT OF POLICIES RELATING TO THE CORPORATE GOVERNANCE OF AND BUSINESS OPPORTUNITIES  
PRESENTED TO VANGUARD NATURAL RESOURCES, LLC AND  
ENCORE ENERGY PARTNERS LP**

This Statement of Policies Related to the Corporate Governance of and Business Opportunities Presented to Vanguard Natural Resources, LLC (“VNR”) and Encore Energy Partners LP (“ENP”), referred to herein as this “Statement,” specifies the policies and procedures that have been adopted by VNR and ENP, as authorized and approved by the Board of Directors of VNR as of April 18, 2011 and the Board of Directors of ENP as of April 18, 2011, to address potential conflicts among VNR and ENP.

***Corporate Governance***

**Conflicts Committees.** Each of VNR and the Board of Directors of Encore Energy Partners GP LLC, the general partner of ENP (“ENP GP”) will maintain a Conflicts Committee of its Board of Directors that (i) is comprised entirely of directors who satisfy the independence requirements for Conflicts Committee members contained in the Second Amended and Restated Limited Liability Company Agreement of Vanguard Natural Resources, LLC, as it may be amended from time to time (the “VNR LLC Agreement”) or the Second Amended and Restated Agreement of Limited Partnership of Encore Energy Partners LP, as it may be amended from time to time (the “ENP LP Agreement”), as applicable and (ii) otherwise satisfies the requirements contained in the definition of “Conflicts Committee” in the VNR LLC Agreement or ENP LP Agreement, as applicable.

***Transactions between VNR and ENP Entities***

Any material transaction between any of ENP or ENP GP or any of their respective subsidiaries (collectively, the “ENP Entities”), on the one hand, and VNR or any of its affiliates or subsidiaries other than the ENP Entities, on the other hand, will require (a) if the transaction relates to VNR, the prior approval of any of (i) the Board of Directors of VNR, (ii) the Conflicts Committee of the Board of Directors of VNR or (iii) another duly authorized committee of the Board of Directors of VNR and (b) if the transaction relates to an ENP Party, the prior approval of the Conflicts Committee of the Board of Directors of ENP GP. In addition, each of VNR and ENP will continue to be subject to their obligations under their respective credit agreements and partnership agreements related to transactions with affiliates.

***Business Opportunities***

In the event that VNR or any of the ENP Entities (each a “Business Opportunity Party”) is offered by a third party or discovers an opportunity (i) to acquire from a third party any properties, business, asset or entity or (ii) to develop, operate or construct any new property, pipeline, gathering system, storage facility or other facility or assets (each such opportunity a “Business Opportunity”), then any such Business Opportunity shall be allocated between VNR and ENP as provided in this section. In no event, however, will an opportunity for either VNR or ENP to acquire additional working or royalty interests in assets already held by either VNR or ENP, as applicable, be considered a Business Opportunity subject to this Statement.

**ENP Area Business Opportunities.** If the Business Opportunity relates to a business, asset or entity located in:

- the Big Horn Basin in Wyoming and Montana;
- the Williston Basin in North Dakota and Montana; or
- the Arkoma Basin in Arkansas and Oklahoma;

(all such areas described in the above bullet points, collectively, the “ENP Area” and any Business Opportunity relating to a business, asset or entity located therein an “ENP Area Business Opportunity”) then the Business Opportunity Party that is offered or discovers such ENP Area Business Opportunity shall promptly advise the Board of Directors of ENP GP and present such ENP Area Business Opportunity to ENP.

ENP shall be presumed to desire to pursue the ENP Area Business Opportunity until such time as ENP GP advises VNR that ENP has abandoned the pursuit of such ENP Area Business Opportunity. In the event that the purchase price associated with the ENP Business Opportunity is reasonably likely to equal or exceed \$25,000,000 any decision to decline an ENP Area Business Opportunity shall only be made upon consultation with and subject to the approval of the Conflicts Committee of the Board of Directors of ENP GP. In the event that ENP abandons the ENP Area Business Opportunity and so notifies VNR, VNR shall have the right to pursue such ENP Area Business Opportunity.

**VNR Area Business Opportunities.** If the Business Opportunity relates to a business, asset or entity located in:

- the Appalachian Basin, including southeast Kentucky and northeast Tennessee;
- south Texas; or
- Mississippi;

(such areas described in the above bullet points, collectively, the “VNR Area” and any Business Opportunity relating to a business, asset or entity located therein a “VNR Area Business Opportunity”) then the Business Opportunity Party that is offered or discovers such VNR Area Business Opportunity shall promptly advise the Board of Directors of VNR and present such VNR Area Business Opportunity to VNR.

VNR shall be presumed to desire to pursue the VNR Area Business Opportunity until such time as VNR advises ENP that VNR has abandoned the pursuit of such VNR Area Business Opportunity. In the event that the purchase price associated with the VNR Business Opportunity is reasonably likely to equal or exceed \$25,000,000, any decision to decline a VNR Area Business Opportunity shall only be made upon consultation with and subject to the approval of (i) the Board of Directors of VNR, (ii) the Conflicts Committee of the Board of Directors of VNR or (iii) another duly authorized committee of the Board of Directors of VNR. In the event that VNR abandons the VNR Area Business Opportunity and so notifies ENP, ENP shall have the right to pursue such VNR Area Business Opportunity.

Joint Area Business Opportunities. If the Business Opportunity relates to a business, asset or entity located in the Permian Basin in West Texas and New Mexico or any other area that is not an ENP Area or a VNR Area (such areas, the “Joint Area” and any Business Opportunity relating to a business, asset or entity located therein a “Joint Area Business Opportunity”) then the Business Opportunity Party that is offered or discovers such Joint Area Business Opportunity shall promptly advise the Board of Directors of the other party to this Statement, VNR or ENP, as applicable. Each of VNR and ENP shall, upon completion of its necessary evaluation of the Joint Area Business Opportunity, inform each other whether or not such company intends to pursue the Joint Area Business Opportunity. In the event that the purchase price associated with the Joint Area Business Opportunity is reasonably likely to equal or exceed \$25,000,000 any decision to decline a Joint Area Business Opportunity shall only be made (i) by VNR, upon consultation with and subject to the approval of (A) the Board of Directors of VNR, (B) the Conflicts Committee of the Board of Directors of VNR or (C) another duly authorized committee of the Board of Directors of VNR and (ii) by ENP, upon consultation with and subject to the approval of the Conflicts Committee of the Board of Directors of ENP GP.

In the event that both VNR and ENP wish to pursue the Joint Business Opportunity, then each company shall offer to the other the opportunity to participate in such Joint Area Business Opportunity on a 50/50 basis. If either VNR or ENP elects to abandon the Joint Area Business Opportunity and so notifies the other company, then such other company shall have the right to pursue such Joint Area Business Opportunity independently.

Immaterial Business Opportunities. In the event that the purchase price associated with any Business Opportunity is not reasonably likely to exceed \$25 million, then the provisions of this Statement of Policies will not apply to such Business Opportunity and the respective officers and boards of directors may make any decision with respect to such Business Opportunity in accordance only with the provisions of the ENP LP Agreement or the VNR LLC Agreement, as applicable, and applicable law.