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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

ENCORE ENERGY PARTNERS LP

(Name of Issuer)

COMMON UNITS

(Title of Class of Securities)

29257A 106

(CUSIP Number)

Richard A. Robert

Vanguard Natural Gas, LLC

5847 San Filipe, Suite 3000

Houston, Texas 77057

Phone (832) 327-2260

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 31, 2010

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. Name of Reporting Person.

Vanguard Natural Resources, LLC

2. Check The Appropriate Box If a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions): BK OO (see Item 3 below)

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of

Organization: Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power	<u>20,924,055</u>
	8.	Shared Voting Power	<u>0</u>
	9.	Sole Dispositive Power	<u>20,924,055</u>
	10.	Shared Dispositive Power	<u>0</u>

11. Aggregate Amount Beneficially Owned by Each Reporting

Person: 20,924,055

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row

(11): Approximately 46%

14. Type of Reporting Person (See Instructions): OO (Limited Liability Company)

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Vanguard Natural Gas, LLC

2. Check The Appropriate Box If a Member of a Group (See Instructions)
 (a)
 (b)

3. SEC Use Only

4. Source of Funds (See Instructions): BK OO (See Item 3)

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e):

6. Citizenship or Place of Organization: Kentucky

Number of Shares Beneficially Owned by Each Reporting Person With	7.	Sole Voting Power	<u>20,924,055</u>
	8.	Shared Voting Power	<u>0</u>
	9.	Sole Dispositive Power	<u>20,924,055</u>
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11. Aggregate Amount Beneficially Owned by Each Reporting Person: 20,924,055

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions):

13. Percent of Class Represented by Amount in Row (11): Approximately 46%

14. Type of Reporting Person (See Instructions): OO (Limited Liability Company)

Item 1. Security and Issuer

This statement on Schedule 13D relates to common units representing limited partner interests (the “Common Units”) of Encore Energy Partners LP, a Delaware limited partnership (the “Issuer”). The address of the principal executive offices of the Issuer is 5847 San Felipe, Suite 3000, Houston, Texas 77057.

Item 2. Identity and Background

(a) This Schedule 13D is filed by Vanguard Natural Resources, LLC., a Delaware limited liability company (“VNR”), and Vanguard Natural Gas, LLC, a Kentucky limited liability company (“VNG”), which are referred to herein collectively as the “Reporting Persons.”

VNR is a publicly traded natural gas and oil company and is the sole member and manager of VNG. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

Encore Energy Partners GP LLC, a Delaware limited liability company (“GP LLC”), is the general partner of the Issuer.

(b) The business address of the Reporting Persons is 5847 San Felipe, Suite 3000, Houston, Texas 77057.

(c) The principal business of VNR is to engage in the acquisition and development of mature, long-lived natural gas and oil properties in the United States. The principal business of VNG is to serve as the operating subsidiary of VNR.

(d) Negative with respect to the Reporting Persons.

(e) Negative with respect to the Reporting Persons.

(f) Not applicable.

In accordance with the provisions of General Instruction C to Schedule 13D, information concerning the executive officers, directors, and each person controlling the Reporting Persons, as applicable (collectively, the “Listed Persons”), required by Item 2 of this Schedule 13D is provided on Schedule 1 and is incorporated by reference herein. To the Reporting Persons’ knowledge, none of the Listed Persons have been, during the last five years, (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Considerations

On December 31, 2010, VNG completed the acquisition of all of the member interests in GP LLC, the general partner of the Issuer and 20,924,055 common units representing limited partnership interests in the Issuer (the “ENP Units”) for aggregate consideration of \$380.0 million (the “Acquisition”) pursuant to a Purchase Agreement dated as of November 16, 2010 by and among Denbury Resources Inc. (“Denbury”), Encore Partners GP Holdings LLC (“Encore GP Holdings”), Encore Partners LP Holdings LLC (“Encore LP Holdings”), Encore Operating, L.P. (“Encore Operating” and, together with Denbury, Encore GP Holdings and Encore LP Holdings, the “Selling Parties”), VNG, as buyer, and VNR.

VNG funded the \$380.0 million purchase price for the Acquisition through (i) the issuance of \$80 million in common units representing limited liability company interests in VNR, (ii) \$175 million in borrowings under a term loan with BNP Paribas Securities Corp. and (iii) approximately \$125 million in borrowings under VNR’s reserve-based credit facility.

Item 4. Purpose of Transaction

As stated above in Item 3, the Common Units were acquired by VNG pursuant to the Acquisition.

(a) – (c) None.

(d) In connection with the closing of the Acquisition, on December 31, 2010, the following persons affiliated with the Selling Parties resigned as officers of GP LLC: (i) Phil Rykhoek (Chief Executive Officer); (ii) Ronald T. Evans (President & Chief Operational Officer), (iii) Mark C. Allen (Chief Financial Officer, Sr. Vice President & Assistant Secretary), (iv) Robert Cornelius (Senior Vice President—Operations and Assistant Secretary), (v) H. Raymond Dubuisson (Vice President—Legal and Secretary), (vi) Dan E. Cole (Vice President—Marketing) and (vii) Alan Rhoades (Vice President, Accounting). In addition, Messrs. Rykhoek, Evans, Allen and Cornelius resigned as directors of GP LLC.

Following the closing of the Acquisition, GP LLC added Scott W. Smith, Richard A. Robert, Britt Pence and Timothy Haus to its the board of directors and appointed Scott W. Smith as President and Chief Executive Officer, Richard A. Robert as Executive Vice President, Chief Financial Officer and Secretary and Britt Pence as Vice President of Engineering.

(e) VNG, as owner of ENP GP, may cause the Issuer to change its dividend policy or its capitalization, through the issuance of equity or debt securities, from time to time in the future.

(f) – (i) None.

(j) Except as described in this Item 4, the Reporting Persons do not have, as of the date of this Schedule 13D, any other plans or proposals that relate to or would result in any of the actions or events specified in clauses (a) through (i) of Item 4 of this Schedule 13D. The Reporting Persons may change their plans or proposals in the future. In determining from time to time whether to sell the Common Units reported as beneficially owned in this Schedule 13D (and in what amounts) or to retain such securities, the Reporting Persons will take into consideration such factors as they deem relevant, including the business and prospects of the Issuer, anticipated future developments concerning the Issuer, existing and anticipated market conditions from time to time, general economic conditions, regulatory matters, and other opportunities available to the Reporting Persons. The Reporting Persons reserve the right to acquire additional securities of the Issuer in the open market, in privately negotiated transactions (which may be with the Issuer or with third parties), or otherwise, to dispose of all or a portion of their holdings of securities of the Issuer or to change their intention with respect to any or all of the matters referred to in this Item 4.

Depending on the factors described in the preceding paragraph, and other factors that may arise in the future, the Listed Persons may be involved in such matters and, depending on the facts and circumstances at such time, may formulate a plan with respect to such matters. In addition, the Listed Persons may entertain discussions with, and proposals to, the Issuer, to other unitholders of the Issuer or to third parties.

The Issuer's Second Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") is hereby incorporated by reference to Exhibit 3.1 to the Issuer's Current Report on Form 8-K filed with the Commission on September 21, 2007, which is incorporated in its entirety in this Item 4.

Item 5. Interests in the Securities of the Purchaser

(a)

(1) VNR, as the direct owner of VNG, may be deemed to be the beneficial owner of 20,924,055 Common Units, which represents approximately 46% of the total issued and outstanding Common Units (based on calculations made in accordance with Rule 13d-3 ("Rule 13d-3") of the Securities Exchange Act of 1934, as amended, and 45,341,597 Common Units outstanding as reported in the Issuer's Form 10-Q for the quarterly period ended September 30, 2010 filed on November 8, 2010).

(2) VNG is the record and beneficial owner of 20,924,055 Common Units, which represents approximately 46% of the total issued and outstanding Common Units (based on calculations made in accordance with Rule 13d-3 and 45,341,597 Common Units outstanding as reported in the Issuer's Form 10-Q for the quarterly period ended September 30, 2010 filed on November 8, 2010)

(3) See Schedule 1 for the aggregate number and percentage of Common Units beneficially owned by the Listed Persons.

(b) The information set forth in Items 7 through 11 of the cover pages hereto is incorporated herein by reference. See Schedule 1 for the information applicable to the Listed Persons.

(c) Except for the acquisition of Common Units described in Item 3 above, to the knowledge of the Reporting Persons, none of the persons named in response to paragraph (a) above has effected any transaction in Common Units during the past 60 days, except for the acquisition of beneficial ownership of the Common Units being reported on this Schedule 13D.

(d) Except as otherwise described herein, no other person other than the Reporting Persons is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds of sale of, the Common Units described in this Item 5.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The information provided or incorporated by reference in Item 3 and Item 4 is hereby incorporated by reference herein.

Subject to the terms and conditions of the Partnership Agreement, GP LLC and its affiliates have the right to cause the Issuer to register for resale under the Securities Act of 1933 and applicable state securities laws any limited partner units that they hold. The Issuer is obligated to pay all expenses incidental to the registration, excluding underwriting discounts and commission.

The Partnership Agreement additionally contains various provisions with respect to the units governing, among other matters, voting, distributions, transfers, GP LLC's limited call right and allocations of profits and losses to the partners.

Under the Limited Liability Company Agreement of GP LLC, VNG, as the sole member of GP LLC, has the ability to cause the election of the members of the board of directors of GP LLC.

Pursuant to the provisions of that certain Term Loan Agreement dated as of November 16, 2010, among VNG, the lenders from time to time party thereto and BNP Paribas, as Administrative Agent (in such capacity, the "Term Administrative Agent") (as such agreement may be amended, restated or modified from time to time, the "Term Loan Agreement"), VNG has entered into that certain ENP Interests Security Agreement (the "Term Security Agreement") dated as of December 31, 2010 in favor of the Term Administrative Agent to secure the payment and performance of the amounts due and owing under the Term Loan Agreement. Pursuant to the Term Security Agreement, the Borrower granted to the Term Administrative Agent a first priority lien on the Common Units.

Pursuant to the provisions of that certain Second Amended and Restated Credit Agreement dated as of August 31, 2009, among VNG, the lenders from time to time party thereto and Citibank, N.A., as Administrative Agent (in such capacity, the "Revolving Administrative Agent") (as such agreement may be amended, restated or modified from time to time, the "Credit Agreement"), VNG has entered into that certain ENP Interests Security Agreement (the "Revolving Security Agreement") dated as of December 31, 2010 in favor of the Revolving Administrative Agent to secure the payment and performance of the amounts due and owing under the Credit Agreement. Pursuant to the Revolving Security Agreement, the Borrower granted to the Revolving Administrative Agent a second priority lien on the Common Units.

Item 7. Material to be Filed as Exhibits

Exhibit No.	Description
Exhibit 1	Term Loan, dated November 16, 2010 by and between Vanguard Natural Gas, LLC and BNP Paribas, as administrative agent, and the lenders party thereto, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Vanguard Natural Resources, LLC with the Commission on November 17, 2010 (File No. 001-33756).
Exhibit 2	Second Amended and Restated Credit Agreement dated August 31, 2009, by and between Vanguard Natural Gas, LLC, Citibank, N.A., as administrative agent and the lenders party hereto, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Vanguard Natural Resources, LLC with the Commission on September 1, 2009 (File No. 001-33756).
Exhibit 3	First Amendment to Second Amended and Restated Credit Agreement dated October 14, 2009, by and between Vanguard Natural Gas, LLC, Citibank, N.A., as administrative agent and the lenders party hereto, incorporated herein by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed by Vanguard Natural Resources, LLC with the Commission on November 4, 2009 (File No. 001-33756).
Exhibit 4	Second Amendment to Second Amended and Restated Credit Agreement, dated June 1, 2010, among Vanguard Natural Gas, LLC, Citibank, N.A., Existing Lenders (as defined therein), and Credit Agricole Corporate and Investment Bank, incorporated herein by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Vanguard Natural Resources, LLC with the Commission on June 4, 2010 (File No. 001-33756).
Exhibit 5	Third Amendment to Second Amended and Restated Credit Agreement, dated November 16, 2010 by and between Vanguard Natural Gas, LLC, Citibank, N.A., as administrative agent and the lenders party thereto, incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Vanguard Natural Resources, LLC with the Commission on November 17, 2010 (File No. 001-33756).
Exhibit 6	Fourth Amendment to Second Amended and Restated Credit Agreement, dated December 31, 2010 by and between Vanguard Natural Gas, LLC, Citibank, N.A., as administrative agent and the lenders party thereto, incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 8-K filed by Vanguard Natural Resources, LLC with the Commission on January 3, 2011 (File No. 001-33756).
Exhibit 7	Second Amended and Restated Agreement of Limited Partnership of Encore Energy Partners LP incorporated herein by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by Encore Energy Partners LP with the Commission on January 3, 2011 (File No. 001-33756).
Exhibit 8	Amended and Restated Limited Liability Company Agreement of Encore Energy Partners GP LLC incorporated herein by reference to Exhibit 3.4 to the Registration Statement on Form S-1 filed by Encore Energy Partners LP with the Commission on May 11, 2007 (File No. 333-142847).
Exhibit 9*	ENP Interest Security Agreement dated December 31, 2010, by and between Vanguard Natural Gas, LLC and BNP Paribas, as Administrative Agent for the Secured Parties named therein.
Exhibit 10*	ENP Interest Security Agreement dated December 31, 2010, by and between Vanguard Natural Gas, LLC and CitiBank, N.A., as Administrative Agent for the Secured Parties named therein.
Exhibit 11*	Joint Filing Agreement dated June 3, 2010 between Vanguard Natural Resources, LLC. and Vanguard Natural Gas, LLC.

* Filed herewith.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

VANGUARD NATURAL GAS, LLC

**BY: VANGUARD NATURAL RESOURCES, LLC,
its sole member.**

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

VANGUARD NATURAL RESOURCES, LLC

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

Date: January 6, 2011

Schedule 1
Listed Persons
(As of December 31, 2010)

Executive Officers of Vanguard Natural Resources, LLC

Scott W. Smith
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: President, Chief Executive Officer and Director
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Richard A. Robert
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Executive Vice President, Chief Financial Officer and Secretary
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Britt Pence
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Vice President of Engineering
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Board of Directors of Vanguard Natural Resources, LLC

W. Richard Anderson (Chairman)
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Chief Financial Officer of Eurasia Drilling Company, Ltd GDR (LSE: EDCL)
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Scott W. Smith
(see above)

Loren Singletary
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Vice President of Global Accounts of National Oilwell Varco.
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Bruce W. McCullough
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: President and Chief Executive Officer of Huntington Energy Corp.
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

John R. McGoldricks
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Executive Chairman of Caza Oil & Gas, Inc.
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Lasse Wagene
c/o Vanguard Natural Resources, LLC, 5847 San Felipe, Suite 3000, Houston, Texas 77057
Principal Occupation: Managing Director and owner of Arcturus Holdings, LLC
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

EXHIBIT INDEX

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ENP INTERESTS SECURITY AGREEMENT

THIS ENP INTERESTS SECURITY AGREEMENT (this "**Security Agreement**") is entered into as of December 31, 2010, by **VANGUARD NATURAL GAS, LLC**, a Kentucky limited liability company ("**Debtor**"), in favor of **BNP PARIBAS**, as Administrative Agent for the Secured Parties as defined below (in such capacity, "**Administrative Agent**").

WHEREAS, at the time of the execution of this Security Agreement, the Lenders (as defined in the Term Loan Agreement described in this recital) have loaned to Debtor up to \$175,000,000, pursuant to the provisions of that certain Term Loan Agreement dated as of November 16, 2010, among Debtor, the Lenders and Administrative Agent (as the same has been or may be amended, restated or modified from time to time, the "**Term Loan Agreement**"); and

WHEREAS, to induce the Secured Parties to make the loans provided for and enter into the other transactions contemplated by the Term Loan Agreement, Debtor has agreed to grant a security interest in the Pledged Interests, all rights, titles and interests with respect thereto, and all proceeds thereof, as hereinafter described, as security for the repayment of such loans;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and to extend such additional credit as the Secured Parties may from time to time agree to extend, the parties do hereby agree as follows:

1. **Terms.** Terms defined in the Term Loan Agreement have the same meanings when used herein unless otherwise defined herein or the context hereof otherwise requires. Terms not defined herein or in the Term Loan Agreement which are defined in the New York Uniform Commercial Code, as in effect on the date hereof (the "**UCC**"), have the meanings specified in the UCC, and the definitions specified in Article 9 of the UCC control in the case of any conflicting definitions in the UCC. The singular number includes the plural and *vice versa*. Captions of Sections do not limit the terms of such Sections. As used herein:

"ENP" means Encore Energy Partners LP, a publicly traded Delaware limited partnership.

"ENP Common Units" means the common units issued by ENP representing limited partner interests in ENP.

"ENP GP" means Encore Energy Partners GP LLC, a Delaware limited liability company.

"ENP GP LLC Member Interests" means the membership interests issued by ENP GP.

"Pledged Interests" means collectively, the ENP Common Units and the ENP GP LLC Member Interests.

"Secured Parties" means Administrative Agent, the Lenders, the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, and the successors and assigns of each of the foregoing.

2. **Security Interest.** To secure the payment and performance of the Indebtedness, Debtor grants to Administrative Agent a security interest (the "**Security Interest**") in the following described property of Debtor whether now owned, arising, existing, or hereafter acquired (the "**Collateral**"):

(a) the ENP Common Units, including Debtor's revenues from, and undivided percentage interest in, the assets of ENP, and all of the rights, but none of the obligations, of Debtor under the Organizational Documents of ENP, including without limitation the ENP Common Units listed on Exhibit A attached hereto;

(b) the ENP GP LLC Member Interests, including Debtor's revenues from, and undivided percentage interest in, the assets of ENP GP, and all of the rights, but none of the obligations, of Debtor under the Organizational Documents of ENP GP, including without limitation the ENP GP LLC Member Interests listed on Exhibit A attached hereto;

(c) all investment property and other property, rights or interests of any description at any time issued or issuable to Debtor or held in any securities account as an addition to, in substitution or exchange for or with respect to the Pledged Interests, including without limitation additional percentages or interests issued or given as a result of any amendment, reclassification, split-up, dissolution, or other partnership or limited liability company reorganization or property distributed pursuant thereto; and

(d) all distributions, proceeds, monies, income and benefits arising from, by virtue of, or payable with respect to, the property described in this Section.

3. **Representations.** Debtor represents to Administrative Agent as follows: (a) Debtor is the legal and beneficial owner of the Collateral; (b) all Collateral constituting a financial asset is duly authorized and issued; (c) no material dispute, right of setoff, counterclaim, or defense exists with respect to any part of the Collateral; (d) the Collateral is owned by Debtor free of any hypothecation, lien, charge, encumbrance or security interest or purchase right or option on the part of any third person in such Collateral or the proceeds thereof except the Security Interest and the lien securing the indebtedness of Debtor under the Revolver, which is subordinated to the liens and security interests created hereunder pursuant to the Intercreditor Agreement; (e) there are no restrictions upon the transfer of any of the Collateral, nor are there any financing statements on file in any office covering any part of the Collateral except any in favor of Administrative Agent or in favor of Revolver Agent on a subordinated basis; (f) Debtor has the right to transfer or grant a security interest in the Collateral free of any encumbrances and without obtaining the consent of any other Person; (g) the execution and delivery of this Security Agreement, and the performance of its terms, will not result in any violation of any provision of Debtor's Organizational Documents or violate or constitute a default under the terms of any agreement, indenture or other instrument, license, judgment, decree, order, law, statute, ordinance or other governmental rule or regulation applicable to Debtor or any of its property; (h) this Security Agreement has been duly authorized, executed, and delivered by Debtor and constitutes a legal, valid, and binding obligation of Debtor enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights; (i) this Security Agreement creates a valid first priority security interest in the Collateral and the proceeds thereof, and (j) Debtor's name and jurisdiction under which Debtor is organized are as set forth in the first paragraph of this Security Agreement. With respect to all property which hereafter becomes part of the Collateral pursuant to the terms hereof, Debtor shall be deemed to have represented as of the time of attachment of such security interest that the matters represented in clauses (a) through (j) of this Section are true and correct.

4. **Covenants.** Debtor covenants to do the following: (a) if requested by Administrative Agent, deliver to Administrative Agent a manually executed original of the ENP Partnership Agreement, a manually executed original of the ENP GP LLC Agreement, and any certificates or instruments which represent Debtor's interest in ENP or ENP GP or the Collateral and notify the general partner(s) of ENP or the board of directors of ENP GP that a security interest in the Pledged Interests has been granted to Administrative Agent; (b) from time to time promptly execute, assign, endorse, and deliver to Administrative Agent all such other assignments, certificates, proxies, entitlement orders, financing statements, and other documents and do all other acts and things as Administrative Agent may request in order to evidence, perfect, and enforce the Security Interest; (c) promptly furnish Administrative Agent with any information or writings which Administrative Agent may reasonably request concerning the Collateral; (d) allow Administrative Agent to inspect all records of Debtor relating to the Collateral or to the Indebtedness, and to make and take away copies of such records during normal business hours; (e) promptly notify Administrative Agent of any change in any fact or circumstance represented by Debtor in this Security Agreement or in any other writing furnished by Debtor to Administrative Agent in connection with the Collateral or the Indebtedness; (f) promptly notify Administrative Agent of any claim, action or proceeding affecting title to the Collateral, the Security Interest, or Debtor's rights in the Collateral, and at the request of Administrative Agent, appear in and defend, at Debtor's expense, any such action or proceeding; (g) cause all ENP Common Units to be certificated upon acquisition thereof, and deliver such certificates promptly to Administrative Agent, together with such instruments of assignment and transfer duly executed in blank by Debtor as Administrative Agent may request; (h) cause the ENP GP LLC Member Interests to be and remain uncertificated and not securities governed by Article 8 of the UCC, and if, notwithstanding the foregoing, any of them are certificated, deliver such certificates promptly to Administrative Agent, together with such instruments of assignment and transfer duly executed in blank by Debtor as Administrative Agent may request; (i) except as may be permitted in the Term Loan Agreement, without the prior written consent of Administrative Agent, not agree to the release, termination, compromise, amendment, or adjustment of the Pledged Interests, the Collateral, or the Organizational Documents of ENP or ENP GP; (j) except as expressly permitted in the Term Loan Agreement not sell, assign, or transfer or create any other lien or security interest in, or otherwise encumber any of the Collateral, or permit any of the Collateral to be or become subject to any financing statement, lien, attachment, execution, sequestration, or other legal or equitable process, or any lien or encumbrance of any kind except the lien securing the indebtedness of Debtor under the Revolver subordinated to the liens and security interests created hereunder pursuant to the Intercreditor Agreement; (k) except as may be permitted in the Term Loan Agreement not change the name of Debtor, the state of its organization, nor its form or organization without the prior written consent of Administrative Agent; and (l) except as expressly permitted pursuant to Section 9.11 of the Term Loan Agreement, not permit ENP or ENP GP to merge or consolidate with or into any entity. If any covenant, duty or agreement of Debtor is not performed in accordance with its terms hereunder, Administrative Agent may, but is not obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of Debtor, and any amount expended by Administrative Agent in such performance or attempted performance shall become part of the Indebtedness, except to the extent prohibited by applicable law, and, at the request of Administrative Agent, or unless otherwise agreed, Debtor agrees to pay such amount promptly to Administrative Agent.

5. ***Adjustments and Distributions***. Unless an Event of Default has occurred, Debtor shall be entitled to receive for its own use ordinary (but not extraordinary, liquidating, redemption, or similar types of) cash distributions on the Collateral. Upon the occurrence of an Event of Default, all payments and distributions pertaining to the Collateral shall be delivered to Administrative Agent to be held as additional Collateral hereunder or applied toward the satisfaction of the Indebtedness as Administrative Agent may elect. If any of the Collateral is converted into another type of property or if any money or other proceeds are paid or delivered to or for credit to the account of Debtor as a result of Debtor's rights in the Collateral, all such property, money, and other proceeds are part of the Collateral, and, except as may be permitted in the first sentence of this Section, Debtor will immediately pay and deliver all such property, money, or other proceeds so received to Administrative Agent or take such other steps as are necessary to ensure that Administrative Agent has control over any such property constituting investment property. If Administrative Agent so requests, Debtor will promptly endorse or assign all such other property and proceeds to Administrative Agent and deliver to Administrative Agent all proceeds which require perfection by possession under the UCC. With respect to any such property requiring any additional security agreement, financing statement or other writing to create or perfect a security interest therein in favor of Administrative Agent, Debtor will promptly execute and deliver or cause to be executed and delivered to Administrative Agent whatever Administrative Agent deems necessary or proper for such purposes. Administrative Agent shall not be liable for any error, omission or delay occurring in the settlement, collection or payment with respect to the Pledged Interests or the Collateral or of any property or instrument received pursuant thereto.

6. **Remedies.** Upon the occurrence of an Event of Default, in addition to any other rights and remedies which Administrative Agent may then have hereunder, under the UCC or otherwise, Administrative Agent may to the extent permitted by applicable law at its discretion, and without notice to Debtor, take any one or more of the following actions, without liability except to account for property actually received by it, and Debtor agrees that it is commercially reasonable for Administrative Agent to do any of the following: (a) if not previously done, transfer to or register in the name of Administrative Agent or Administrative Agent's nominee any of the Collateral, with or without indication of the Security Interest and whether or not so transferred or registered, receive the income, property and other distributions with respect to the Collateral and hold them or apply them to the Indebtedness in any order of priority selected by Administrative Agent; (b) exercise or cause to be exercised all voting and other powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the Collateral; (c) insure any of the Collateral; (d) exchange any of the Collateral for other property upon a reorganization, recapitalization, dissolution, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as Administrative Agent may determine; (e) in its name, or in the name of Debtor, demand, sue for, collect or receive any money or property at any time payable with respect to any of the Collateral and, in connection therewith, indorse notes, checks, drafts, money orders, and other instruments in the name of Debtor; (f) reduce its claim to judgment or foreclose or otherwise enforce the Security Interest, in whole or in part, by any available procedure; (g) make any compromise or settlement deemed advisable with respect to any of the Collateral; (h) renew, extend, or otherwise change the terms and conditions of any of the Collateral or the Indebtedness; (i) take or release any other collateral as security for any of the Collateral or the Indebtedness; (j) add or release any guarantor, indorser, surety, or other party to any of the Collateral or the Indebtedness; (k) without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of public sale or private sale if required under the UCC) to or upon Debtor or any other person (all of which are, to the extent permitted by law, expressly waived), forthwith realize upon the Collateral or any part thereof, and sell or otherwise dispose of, or, if appropriate, issue entitlement orders with respect to, or deliver the Collateral or any part thereof or interest therein, in one or more parcels at public or private sale or sales, at such prices and on such terms (including, without limitation, a requirement that any purchaser of any of the Collateral purchase the interest constituting the Collateral for investment without any intention to make any distribution thereof) as it deems best (the sale of any part of the Collateral shall not exhaust Administrative Agent's power of sale), for cash or on credit, or for future delivery without assumption of any credit risk, with any purchaser to purchase the Collateral at any such sale free from any right or equity of redemption in Debtor, which right or equity is hereby expressly waived and released; (l) apply by appropriate judicial proceedings for appointment of a receiver for the Collateral, or any part thereof, and Debtor hereby consents to any such appointment; and (m) exercise any other rights it may have hereunder or under the UCC or otherwise. Debtor grants to Administrative Agent an irrevocable proxy coupled with an interest to exercise as to such Collateral, upon the occurrence of an Event of Default, all rights, powers and remedies of an owner and all of the rights, powers and remedies hereinabove set forth, the proxy herein granted to exist until all of the Indebtedness has been paid in full. The proceeds of any disposition of the Collateral or other action by Administrative Agent shall be applied in such order and manner as Administrative Agent may determine, any instruction from Debtor to the contrary notwithstanding. Debtor shall be liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay all amounts to which Administrative Agent is entitled. Administrative Agent is under no duty to exercise or to withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Administrative Agent in this Security Agreement, and Administrative Agent is not responsible for any failure to do so or delay in so doing.

7. **Legal Restrictions.** Debtor agrees that there may be legal or practical restrictions or limitations affecting Administrative Agent in any attempts to dispose of certain portions of the Collateral and for the enforcement of its rights. Debtor acknowledges that a ready market does not exist for the Pledged Interests, and agrees that the ENP Common Units may be sold for an amount less than a pro rata share of the fair market value of ENP's assets minus its liabilities and that the ENP GP LLC Member Interests may be sold for an amount less than a pro rata share of the fair market value of ENP GP's assets minus its liabilities. Upon the occurrence of an Event of Default, Administrative Agent may sell any of the Collateral at public or private sale, subject to investment letter or in any other manner which will not require the Collateral, or any part thereof, to be registered in accordance with any laws or regulations, including, but not limited to, the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder, or make it necessary to obtain any required approval of the purchase or the purchaser by any governmental agency or officer, at the best price reasonably obtainable by Administrative Agent at such sale or other disposition in the manner mentioned above. Debtor agrees that Administrative Agent may in its discretion approach a limited number of potential purchasers and that a sale under such circumstances may yield a lower price for the Collateral, or any part or parts thereof, than would otherwise be obtainable if same were either offered to a larger number of potential purchasers, or registered and sold in the open market. Debtor agrees that such sale shall be deemed to have been made in a commercially reasonable manner, that Administrative Agent has no obligation to delay sale of any Collateral to permit the issuer thereof to register it for public sale under any applicable federal or state securities laws or to permit Debtor to obtain any amendment to the ENP Partnership Agreement or the ENP GP LLC Agreement or any consent by ENP or ENP GP or any partner, manager or member, as applicable, thereof and, that Administrative Agent shall not be liable or accountable to Debtor nor shall the Indebtedness be subject to any reduction because the proceeds of sale subject to any such limitation or restriction are less than otherwise might have been obtained.

8. **Notification of Sale.** Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Debtor and to any other person entitled under law to notice; provided that if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Administrative Agent may sell or otherwise dispose of the Collateral without notification, advertisement or other notice of any kind. Notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates is reasonable notice for purposes of this Section.

9. **Enforcement of Rights.** Debtor agrees it is commercially reasonable for Administrative Agent to exercise its rights in or with respect to the Collateral in such manner and in such order as Administrative Agent determines. Nothing herein contained requires Administrative Agent to sell all or any part of the Collateral or to collect, or attempt to collect, any sum payable by reason of the Collateral before Administrative Agent may assert liability and collect the Indebtedness, nor is Administrative Agent obligated to attempt to collect the Indebtedness before selling all or any part of the Collateral. Administrative Agent may, without foreclosing thereon, collect and otherwise enforce all amounts owing on the Collateral or any proceeds or otherwise enforce all of Debtor's or Administrative Agent's rights therein or in any of the Collateral and apply such collections as provided herein or may foreclose on the Collateral. Administrative Agent may hold funds as additional Collateral or may, at its discretion, apply same to the Indebtedness. Administrative Agent may attempt to collect from any Person liable in respect of any proceeds, by suit or otherwise, any sums due thereon and otherwise to enforce Debtor's rights in respect thereto.

10. **Attorney-in-Fact.** Debtor appoints Administrative Agent, its successors and assigns, as Debtor's attorney-in-fact (without requiring it to act as such), with full power of substitution, to do any act which Debtor is obligated by this Security Agreement to do, including, but not limited to, the power to do the following: (a) issue such orders and instructions as are necessary or appropriate to effect the registration of the Collateral on the books of the issuer of the Collateral in the name of Administrative Agent or to effect the sale or disposition of the Collateral; (b) endorse the name of Debtor on all checks, drafts, money orders, or other instruments for the payment of monies that are payable to Debtor and constitute collections of the Collateral; (c) execute in the name of Debtor any schedules, assignments, instruments, documents, financing statements, amendments of financing statements, applications for registration, and other papers deemed necessary or appropriate by Administrative Agent to perfect, preserve, or enforce the Security Interest; (d) exercise all rights of Debtor in the Collateral; (e) make extension agreements with respect to Collateral; (f) release any party liable on or any security for the Collateral and give receipts and acquittances and compromise disputes in connection therewith; (g) make withdrawals from and close deposit accounts and other accounts with any financial institution into which proceeds may have been deposited and apply funds so withdrawn as provided herein; (h) give notice of Administrative Agent's rights under this Security Agreement; (i) enter onto Debtor's premises to inspect the Collateral; (j) receive, open, and read mail addressed to Debtor; (k) verify facts concerning the Collateral by inquiry of obligors thereon, or otherwise, in its own name or a fictitious name; (l) make collections and execute all papers and instruments and do all other things it deems appropriate to preserve and protect the Collateral and to protect Administrative Agent's interest in the Collateral; and (m) do all acts and things and execute all documents in the name of Debtor or otherwise, deemed necessary, proper, or convenient by Administrative Agent in connection with the preservation, perfection, and enforcement of its rights hereunder. The power and authority herein conferred upon Administrative Agent may be exercised by Administrative Agent through any person who, at the time of the execution of the particular instrument, is an officer of Administrative Agent. All persons dealing with Administrative Agent, or any substitute, shall be fully protected in treating the powers and authorities conferred by this paragraph as continuing in full force and effect until advised by Administrative Agent that all of the Indebtedness is finally paid and satisfied. The power of attorney herein conferred is granted for valuable consideration, is coupled with an interest, and is irrevocable so long as any part of the Indebtedness is unpaid and shall not be terminated prior thereto or affected by any act or Debtor or any other person or by operation of law, including, without limitation, the dissolution, death, disability, or incompetency of any person. Administrative Agent agrees it will not exercise its powers as attorney-in-fact until the occurrence of an Event of Default.

11. **Notices.** Any notice required or permitted by this Security Agreement shall be effective if given in accordance with the provisions of the Term Loan Agreement.

12. **Duties of Administrative Agent.** Administrative Agent's duty with respect to any Collateral now or hereafter in the possession of Administrative Agent is solely to use reasonable care in the custody and preservation of the Collateral. Administrative Agent is deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral is accorded treatment substantially equal to that which Administrative Agent accords its own property. Administrative Agent has no responsibility for ascertaining or taking action with respect to fixing or preserving rights against prior parties to the Collateral, calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral or for informing Debtor of such matters whether or not Administrative Agent has or is deemed to have any knowledge of such matters. Administrative Agent is not required to take any steps necessary to preserve any rights in the Collateral against prior parties or to protect, perfect, preserve or maintain any security interest given to secure the Collateral. Administrative Agent is not liable for its failure to use due diligence in the collection of the Indebtedness, or for its failure to give notice to Debtor of default in the payment of the Indebtedness, or in the payment of or upon any security, whether pledged hereunder or otherwise. Administrative Agent is not liable for a decline in the market value of the Collateral.

13. **Indemnification.** Debtor agrees to indemnify and to hold Administrative Agent and the Secured Parties harmless from and against any loss, claim, demand or expense (including attorneys' fees) by reason, or in any manner related to, the Collateral or the foreclosure, sale or other disposition and subsequent ownership of any part thereof, including any such claim as may arise by reason of any alleged breach of warranty concerning the Collateral and any claims that any transferee of an interest in ENP or ENP GP has any liability for existing or future obligations of ENP or ENP GP in excess of its interest therein, by reason of the terms of the Organizational Documents of ENP or ENP GP or the failure of Debtor to comply with such Organizational Documents or the failure of Debtor, ENP or ENP GP to comply with any state or federal statute, rule, regulation, order or decree, or by reason of the Collateral or Administrative Agent's and/or the Secured Parties' efforts to enforce payment of the Indebtedness, including expenses incurred in satisfying any applicable securities and banking laws.

14. **Expenses.** To the extent permitted by applicable law Debtor promptly will pay, upon demand, any out-of-pocket expenses incurred by Administrative Agent in connection herewith, including all costs, expenses, taxes, assessments, insurance premiums, court costs, attorneys' fees, rent, storage costs, and expenses of sales incurred in connection with the administration of this Security Agreement, the enforcement of the rights of Administrative Agent hereunder, whether incurred before or after the occurrence of an Event of Default or incurred in connection with the obtaining, preservation, or defense of the Security Interest, or the perfection, custody, defense, protection, collection, repossession, enforcement or sale of the Collateral. All such expenses shall become part of the Indebtedness and shall bear interest at the highest lawful rate from the date paid or incurred by Administrative Agent until paid by Debtor.

15. **Copy Effective as Financing Statement.** Debtor authorizes Administrative Agent to file one or more financing statements describing the Collateral. A carbon, photographic, or other reproduction of this Security Agreement or a financing statement describing the Collateral shall be sufficient as a financing statement to the full extent permitted by applicable law.

16. **Written Waiver.** No waiver, modification, or alteration of any provision of this Security Agreement, nor consent to any departure from the terms hereof, or from the terms of any other document, shall be effective unless such is in writing and signed by Administrative Agent and, if applicable, the Majority Lenders, and any such waiver shall be effective only for the specific purpose and in the specific instance given. No waiver by Administrative Agent (and, if applicable, the Majority Lenders) of any Event of Default shall be deemed to be a waiver of any other or subsequent Event of Default nor shall such waiver be deemed to be a continuing waiver.

17. **Benefit.** This Security Agreement is binding upon and inures to the benefit of Debtor and Administrative Agent and their respective heirs, legal representatives, successors, and assigns, provided that Debtor may not, without the prior written consent of Administrative Agent, assign any rights, powers, duties or obligations hereunder.

18. **Remedies Cumulative.** All rights and remedies of Administrative Agent hereunder are cumulative of each other and of every other right or remedy which Administrative Agent may otherwise have at law or in equity or under any other document for the enforcement of the security interest or the enforcement of any duties of Debtor or any other party liable in respect to the Indebtedness. The exercise by Administrative Agent of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

19. **Amendment.** This Security Agreement may be amended only by written instrument signed by Debtor, Administrative Agent and, if applicable, the Majority Lenders.

20. **Course of Dealing.** No course of dealing between Debtor and Administrative Agent, nor any failure to exercise, nor any delay in exercising, any right, power or privilege of, Administrative Agent hereunder or under the Term Loan Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

21. **Severability.** The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Security Agreement. If any one or more of the phrases, sentences, clauses, paragraphs or sections contained herein are invalid, or operate to render this Security Agreement invalid, then this Security Agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

22. **Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.** The provisions of Section 12.09 of the Term Loan Agreement are incorporated herein by reference for all purposes.

23. **Satisfaction of Indebtedness.** Upon the satisfaction of all of the Indebtedness and the satisfaction of all additional costs and expenses of Administrative Agent as provided herein, this Security Agreement shall terminate, and Administrative Agent shall deliver to Debtor, at Debtor's expense, such of the Collateral as has not been sold or otherwise applied pursuant to this Security Agreement.

24. **Intercreditor Agreement.** Reference is made to the Lien Subordination and Intercreditor Agreement dated as of December 31, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**"), among Citibank, N.A., as Revolving Collateral Agent; BNP Paribas, as Term Loan Collateral Agent; Debtor; and the Subsidiaries of Debtor from time to time party thereto. Notwithstanding any other provision contained herein, this Security Agreement, the Liens created hereby and the rights, remedies, duties and obligations provided for herein are subject in all respects to the provisions of the Intercreditor Agreement and, to the extent provided therein, the applicable Senior Obligations Security Documents (as defined in the Intercreditor Agreement). In the event of any conflict or inconsistency between the provisions of this Security Agreement and the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall control.

[Remainder of Page Intentionally Left Blank.

Signature Pages Follow.]

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the day and year first above written.

DEBTOR:

VANGUARD NATURAL GAS, LLC

5847 San Felipe, Suite 3000
Houston, Texas 77057

Richard Robert

By: /s/ Richard Robert

Executive Vice President and Chief Financial Officer

Debtor Organizational Identification No.: 0601349

ADMINISTRATIVE AGENT:

**BNP PARIBAS,
as Administrative Agent**

1200 Washington Blvd., 8th floor
Jersey City, New Jersey 07310

By: /s/ Larry Robinson
Name: Larry Robinson
Title: Director

By: /s/ Mei Wan Tong
Name: Mei Wan Tong
Title: Director

EXHIBIT A

PLEDGED INTERESTS

20,924,055 ENP Common Units issued by Encore Energy Partners LP and registered in the name of Vanguard Natural Gas, LLC, evidenced by Certificate No. ENP 0030 dated December 31, 2010.

100% of the outstanding ENP GP LLC Member Interests, issued by Encore Energy Partners GP LLC to Vanguard Natural Gas, LLC.

ENP INTERESTS SECURITY AGREEMENT

THIS ENP INTERESTS SECURITY AGREEMENT (this "*Security Agreement*") is entered into as of December 31, 2010, by **VANGUARD NATURAL GAS, LLC**, a Kentucky limited liability company ("*Debtor*"), in favor of **CITIBANK, N.A.**, as Administrative Agent for the Secured Parties as defined below (in such capacity, "*Administrative Agent*").

WHEREAS, at the time of the execution of this Security Agreement, the Lenders (as defined in the Credit Agreement described in this recital) have loaned to Debtor up to \$400,000,000, pursuant to the provisions of a Second Amended and Restated Credit Agreement dated as of August 31, 2009, among Debtor, the Lenders and Administrative Agent (as the same has been or may be amended, restated or modified from time to time, the "*Agreement*"); and

WHEREAS, to induce the Secured Parties to make the loans provided for and enter into the other transactions contemplated by the Agreement, Debtor has agreed to grant a security interest in the Pledged Interests, all rights, titles and interests with respect thereto, and all proceeds thereof, as hereinafter described, as security for the repayment of such loans;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and to extend such additional credit as the Secured Parties may from time to time agree to extend, the parties do hereby agree as follows:

1. **Terms.** Terms defined in the Agreement have the same meanings when used herein unless otherwise defined herein or the context hereof otherwise requires. Terms not defined herein or in the Agreement which are defined in the Texas Uniform Commercial Code, as in effect on the date hereof (the "*UCC*"), have the meanings specified in the UCC, and the definitions specified in Article 9 of the UCC control in the case of any conflicting definitions in the UCC. The singular number includes the plural and *vice versa*. Captions of Sections do not limit the terms of such Sections. As used herein:

"**ENP**" means Encore Energy Partners LP, a publicly traded Delaware limited partnership.

"**ENP Common Units**" means the common units issued by ENP representing limited partner interests in ENP.

"**ENP GP**" means Encore Energy Partners GP LLC, a Delaware limited liability company.

"**ENP GP LLC Member Interests**" means the membership interests issued by ENP GP.

"**Pledged Interests**" means, collectively, the ENP Common Units and the ENP GP LLC Member Interests.

"**Secured Parties**" means Administrative Agent, the Lenders, any Issuing Bank (as defined in the Agreement), any Swap Lender (as defined in the Agreement), the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, and the successors and assigns of each of the foregoing.

2. **Security Interest.** To secure the payment and performance of the Indebtedness, Debtor grants to Administrative Agent a security interest (the "**Security Interest**") in the following described property of Debtor whether now owned, arising, existing, or hereafter acquired (the "**Collateral**"):

(a) the ENP Common Units, including Debtor's revenues from, and undivided percentage interest in, the assets of ENP, and all of the rights, but none of the obligations, of Debtor under the Organizational Documents of ENP, including without limitation the ENP Common Units listed on Exhibit A attached hereto;

(b) the ENP GP LLC Member Interests, including Debtor's revenues from, and undivided percentage interest in, the assets of ENP GP, and all of the rights, but none of the obligations, of Debtor under the Organizational Documents of ENP GP, including without limitation the ENP GP LLC Member Interests listed on Exhibit A attached hereto;

(c) all investment property and other property, rights or interests of any description at any time issued or issuable to Debtor or held in any securities account as an addition to, in substitution or exchange for or with respect to the Pledged Interests, including without limitation additional percentages or interests issued or given as a result of any amendment, reclassification, split-up, dissolution, or other partnership or limited liability company reorganization or property distributed pursuant thereto; and

(d) all distributions, proceeds, monies, income and benefits arising from, by virtue of, or payable with respect to, the property described in this Section.

3. **Representations.** Debtor represents to Administrative Agent as follows: (a) Debtor is the legal and beneficial owner of the Collateral; (b) all Collateral constituting a financial asset is duly authorized and issued; (c) no material dispute, right of setoff, counterclaim, or defense exists with respect to any part of the Collateral; (d) the Collateral is owned by Debtor free of any hypothecation, lien, charge, encumbrance or security interest or purchase right or option on the part of any third person in such Collateral or the proceeds thereof except the Security Interest and the lien securing the indebtedness of Debtor under the Term Loan Credit Facility; (e) there are no restrictions upon the transfer of any of the Collateral, nor are there any financing statements on file in any office covering any part of the Collateral except any in favor of Administrative Agent or the Term Loan Administrative Agent; (f) Debtor has the right to transfer or grant a security interest in the Collateral free of any encumbrances and without obtaining the consent of any other Person; (g) the execution and delivery of this Security Agreement, and the performance of its terms, will not result in any violation of any provision of Debtor's Organizational Documents or violate or constitute a default under the terms of any agreement, indenture or other instrument, license, judgment, decree, order, law, statute, ordinance or other governmental rule or regulation applicable to Debtor or any of its property; (h) this Security Agreement has been duly authorized, executed, and delivered by Debtor and constitutes a legal, valid, and binding obligation of Debtor enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights; (i) this Security Agreement creates a valid second priority security interest in the Collateral and the proceeds thereof subject only to the lien securing the indebtedness of Debtor under the Term Loan Credit Facility, and (j) Debtor's name and jurisdiction under which Debtor is organized are as set forth in the first paragraph of this Security Agreement. With respect to all property which hereafter becomes part of the Collateral pursuant to the terms hereof, Debtor shall be deemed to have represented as of the time of attachment of such security interest that the matters represented in clauses (a) through (j) of this Section are true and correct.

4. **Covenants.** Debtor covenants to do the following: (a) if requested by Administrative Agent, deliver to Administrative Agent a manually executed original of the ENP Partnership Agreement, a manually executed original of the ENP GP LLC Agreement, and any certificates or instruments which represent Debtor's interest in ENP or ENP GP or the Collateral, and notify the general partner(s) of ENP or the board of directors of ENP GP that a security interest in the Pledged Interests has been granted to Administrative Agent; (b) from time to time promptly execute, assign, endorse, and deliver to Administrative Agent all such other assignments, certificates, proxies, entitlement orders, financing statements, and other documents and do all other acts and things as Administrative Agent may request in order to evidence, perfect, and enforce the Security Interest; (c) promptly furnish Administrative Agent with any information or writings which Administrative Agent may reasonably request concerning the Collateral; (d) allow Administrative Agent to inspect all records of Debtor relating to the Collateral or to the Indebtedness, and to make and take away copies of such records during normal business hours; (e) promptly notify Administrative Agent of any change in any fact or circumstance represented by Debtor in this Security Agreement or in any other writing furnished by Debtor to Administrative Agent in connection with the Collateral or the Indebtedness; (f) promptly notify Administrative Agent of any claim, action or proceeding affecting title to the Collateral, the Security Interest, or Debtor's rights in the Collateral, and at the request of Administrative Agent, appear in and defend, at Debtor's expense, any such action or proceeding; (g) cause all ENP Common Units to be certificated upon acquisition thereof, and deliver such certificates promptly to Administrative Agent, together with such instruments of assignment and transfer duly executed in blank by Debtor as Administrative Agent may request; (h) cause the ENP GP LLC Member Interests to be and remain uncertificated and not securities governed by Article 8 of the UCC, and if, notwithstanding the foregoing, any of them are certificated, deliver such certificates promptly to Administrative Agent, together with such instruments of assignment and transfer duly executed in blank by Debtor as Administrative Agent may request; (i) except as may be permitted in the Agreement, without the prior written consent of Administrative Agent, not agree to the release, termination, compromise, amendment, or adjustment of the Pledged Interests, the Collateral, or the Organizational Documents of ENP or ENP GP; (j) except as expressly permitted in the Agreement, not sell, assign, or transfer or create any other lien or security interest in, or otherwise encumber any of the Collateral, or permit any of the Collateral to be or become subject to any financing statement, lien, attachment, execution, sequestration, or other legal or equitable process, or any lien or encumbrance of any kind except the lien securing the indebtedness of Debtor under the Term Loan Credit Facility; (k) except as may be permitted in the Agreement, not change the name of Debtor, the state of its organization, nor its form or organization without the prior written consent of Administrative Agent; and (l) except as expressly permitted pursuant to Section 9.11 of the Agreement, not permit ENP or ENP GP to merge or consolidate with or into any entity. If any covenant, duty or agreement of Debtor is not performed in accordance with its terms hereunder, Administrative Agent may, but is not obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of Debtor, and any amount expended by Administrative Agent in such performance or attempted performance shall become part of the Indebtedness, except to the extent prohibited by applicable law, and, at the request of Administrative Agent, or unless otherwise agreed, Debtor agrees to pay such amount promptly to Administrative Agent.

5. ***Adjustments and Distributions***. Unless an Event of Default has occurred, Debtor shall be entitled to receive for its own use ordinary (but not extraordinary, liquidating, redemption, or similar types of) cash distributions on the Collateral. Upon the occurrence of an Event of Default, all payments and distributions pertaining to the Collateral shall be delivered to Administrative Agent to be held as additional Collateral hereunder or applied toward the satisfaction of the Indebtedness as Administrative Agent may elect. If any of the Collateral is converted into another type of property or if any money or other proceeds are paid or delivered to or for credit to the account of Debtor as a result of Debtor's rights in the Collateral, all such property, money, and other proceeds are part of the Collateral, and, except as may be permitted in the first sentence of this Section, Debtor will immediately pay and deliver all such property, money, or other proceeds so received to Administrative Agent or take such other steps as are necessary to ensure that Administrative Agent has control over any such property constituting investment property. If Administrative Agent so requests, Debtor will promptly endorse or assign all such other property and proceeds to Administrative Agent and deliver to Administrative Agent all proceeds which require perfection by possession under the UCC. With respect to any such property requiring any additional security agreement, financing statement or other writing to create or perfect a security interest therein in favor of Administrative Agent, Debtor will promptly execute and deliver or cause to be executed and delivered to Administrative Agent whatever Administrative Agent deems necessary or proper for such purposes. Administrative Agent shall not be liable for any error, omission or delay occurring in the settlement, collection or payment with respect to the Pledged Interests or the Collateral or of any property or instrument received pursuant thereto.

6. **Remedies.** Upon the occurrence of an Event of Default, in addition to any other rights and remedies which Administrative Agent may then have hereunder, under the UCC or otherwise, Administrative Agent may to the extent permitted by applicable law at its discretion, and without notice to Debtor, take any one or more of the following actions, without liability except to account for property actually received by it, and Debtor agrees that it is commercially reasonable for Administrative Agent to do any of the following: (a) if not previously done, transfer to or register in the name of Administrative Agent or Administrative Agent's nominee any of the Collateral, with or without indication of the Security Interest and whether or not so transferred or registered, receive the income, property and other distributions with respect to the Collateral and hold them or apply them to the Indebtedness in any order of priority selected by Administrative Agent; (b) exercise or cause to be exercised all voting and other powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to the Collateral; (c) insure any of the Collateral; (d) exchange any of the Collateral for other property upon a reorganization, recapitalization, dissolution, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as Administrative Agent may determine; (e) in its name, or in the name of Debtor, demand, sue for, collect or receive any money or property at any time payable with respect to any of the Collateral and, in connection therewith, indorse notes, checks, drafts, money orders, and other instruments in the name of Debtor; (f) reduce its claim to judgment or foreclose or otherwise enforce the Security Interest, in whole or in part, by any available procedure; (g) make any compromise or settlement deemed advisable with respect to any of the Collateral; (h) renew, extend, or otherwise change the terms and conditions of any of the Collateral or the Indebtedness; (i) take or release any other collateral as security for any of the Collateral or the Indebtedness; (j) add or release any guarantor, indorser, surety, or other party to any of the Collateral or the Indebtedness; (k) without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of public sale or private sale if required under the UCC) to or upon Debtor or any other person (all of which are, to the extent permitted by law, expressly waived), forthwith realize upon the Collateral or any part thereof, and sell or otherwise dispose of, or, if appropriate, issue entitlement orders with respect to, or deliver the Collateral or any part thereof or interest therein, in one or more parcels at public or private sale or sales, at such prices and on such terms (including, without limitation, a requirement that any purchaser of any of the Collateral purchase the interest constituting the Collateral for investment without any intention to make any distribution thereof) as it deems best (the sale of any part of the Collateral shall not exhaust Administrative Agent's power of sale), for cash or on credit, or for future delivery without assumption of any credit risk, with any purchaser to purchase the Collateral at any such sale free from any right or equity of redemption in Debtor, which right or equity is hereby expressly waived and released; (l) apply by appropriate judicial proceedings for appointment of a receiver for the Collateral, or any part thereof, and Debtor hereby consents to any such appointment; and (m) exercise any other rights it may have hereunder or under the UCC or otherwise. Debtor grants to Administrative Agent an irrevocable proxy coupled with an interest to exercise as to such Collateral, upon the occurrence of an Event of Default, all rights, powers and remedies of an owner and all of the rights, powers and remedies hereinabove set forth, the proxy herein granted to exist until all of the Indebtedness has been paid in full. The proceeds of any disposition of the Collateral or other action by Administrative Agent shall be applied in such order and manner as Administrative Agent may determine, any instruction from Debtor to the contrary notwithstanding. Debtor shall be liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay all amounts to which Administrative Agent is entitled. Administrative Agent is under no duty to exercise or to withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Administrative Agent in this Security Agreement, and Administrative Agent is not responsible for any failure to do so or delay in so doing.

7. **Legal Restrictions.** Debtor agrees that there may be legal or practical restrictions or limitations affecting Administrative Agent in any attempts to dispose of certain portions of the Collateral and for the enforcement of its rights. Debtor acknowledges that a ready market does not exist for the Pledged Interests, and agrees that the ENP Common Units may be sold for an amount less than a pro rata share of the fair market value of ENP's assets minus its liabilities and that the ENP GP LLC Member Interests may be sold for an amount less than a pro rata share of the fair market value of ENP GP's assets minus its liabilities. Upon the occurrence of an Event of Default, Administrative Agent may sell any of the Collateral at public or private sale, subject to investment letter or in any other manner which will not require the Collateral, or any part thereof, to be registered in accordance with any laws or regulations, including, but not limited to, the Securities Act of 1933, as amended, or the rules and regulations promulgated thereunder, or make it necessary to obtain any required approval of the purchase or the purchaser by any governmental agency or officer, at the best price reasonably obtainable by Administrative Agent at such sale or other disposition in the manner mentioned above. Debtor agrees that Administrative Agent may in its discretion approach a limited number of potential purchasers and that a sale under such circumstances may yield a lower price for the Collateral, or any part or parts thereof, than would otherwise be obtainable if same were either offered to a larger number of potential purchasers, or registered and sold in the open market. Debtor agrees that such sale shall be deemed to have been made in a commercially reasonable manner, that Administrative Agent has no obligation to delay sale of any Collateral to permit the issuer thereof to register it for public sale under any applicable federal or state securities laws or to permit Debtor to obtain any amendment to the ENP Partnership Agreement or the ENP GP LLC Agreement or any consent by ENP or ENP GP or any partner, manager or member, as applicable, thereof and, that Administrative Agent shall not be liable or accountable to Debtor nor shall the Indebtedness be subject to any reduction because the proceeds of sale subject to any such limitation or restriction are less than otherwise might have been obtained.

8. **Notification of Sale.** Reasonable notification of the time and place of any public sale of the Collateral, or reasonable notification of the time after which any private sale or other intended disposition of the Collateral is to be made, shall be sent to Debtor and to any other person entitled under law to notice; provided that if any of the Collateral threatens to decline speedily in value or is of the type customarily sold on a recognized market, Administrative Agent may sell or otherwise dispose of the Collateral without notification, advertisement or other notice of any kind. Notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates is reasonable notice for purposes of this Section.

9. **Enforcement of Rights.** Debtor agrees it is commercially reasonable for Administrative Agent to exercise its rights in or with respect to the Collateral in such manner and in such order as Administrative Agent determines. Nothing herein contained requires Administrative Agent to sell all or any part of the Collateral or to collect, or attempt to collect, any sum payable by reason of the Collateral before Administrative Agent may assert liability and collect the Indebtedness, nor is Administrative Agent obligated to attempt to collect the Indebtedness before selling all or any part of the Collateral. Administrative Agent may, without foreclosing thereon, collect and otherwise enforce all amounts owing on the Collateral or any proceeds or otherwise enforce all of Debtor's or Administrative Agent's rights therein or in any of the Collateral and apply such collections as provided herein or may foreclose on the Collateral. Administrative Agent may hold funds as additional Collateral or may, at its discretion, apply same to the Indebtedness. Administrative Agent may attempt to collect from any Person liable in respect of any proceeds, by suit or otherwise, any sums due thereon and otherwise to enforce Debtor's rights in respect thereto.

10. **Attorney-in-Fact.** Debtor appoints Administrative Agent, its successors and assigns, as Debtor's attorney-in-fact (without requiring it to act as such), with full power of substitution, to do any act which Debtor is obligated by this Security Agreement to do, including, but not limited to, the power to do the following: (a) issue such orders and instructions as are necessary or appropriate to effect the registration of the Collateral on the books of the issuer of the Collateral in the name of Administrative Agent or to effect the sale or disposition of the Collateral; (b) endorse the name of Debtor on all checks, drafts, money orders, or other instruments for the payment of monies that are payable to Debtor and constitute collections of the Collateral; (c) execute in the name of Debtor any schedules, assignments, instruments, documents, financing statements, amendments of financing statements, applications for registration, and other papers deemed necessary or appropriate by Administrative Agent to perfect, preserve, or enforce the Security Interest; (d) exercise all rights of Debtor in the Collateral; (e) make extension agreements with respect to Collateral; (f) release any party liable on or any security for the Collateral and give receipts and acquittances and compromise disputes in connection therewith; (g) make withdrawals from and close deposit accounts and other accounts with any financial institution into which proceeds may have been deposited and apply funds so withdrawn as provided herein; (h) give notice of Administrative Agent's rights under this Security Agreement; (i) enter onto Debtor's premises to inspect the Collateral; (j) receive, open, and read mail addressed to Debtor; (k) verify facts concerning the Collateral by inquiry of obligors thereon, or otherwise, in its own name or a fictitious name; (l) make collections and execute all papers and instruments and do all other things it deems appropriate to preserve and protect the Collateral and to protect Administrative Agent's interest in the Collateral; and (m) do all acts and things and execute all documents in the name of Debtor or otherwise, deemed necessary, proper, or convenient by Administrative Agent in connection with the preservation, perfection, and enforcement of its rights hereunder. The power and authority herein conferred upon Administrative Agent may be exercised by Administrative Agent through any person who, at the time of the execution of the particular instrument, is an officer of Administrative Agent. All persons dealing with Administrative Agent, or any substitute, shall be fully protected in treating the powers and authorities conferred by this paragraph as continuing in full force and effect until advised by Administrative Agent that all of the Indebtedness is finally paid and satisfied. The power of attorney herein conferred is granted for valuable consideration, is coupled with an interest, and is irrevocable so long as any part of the Indebtedness is unpaid and shall not be terminated prior thereto or affected by any act or Debtor or any other person or by operation of law, including, without limitation, the dissolution, death, disability, or incompetency of any person. Administrative Agent agrees it will not exercise its powers as attorney-in-fact until the occurrence of an Event of Default.

11. **Notices.** Any notice required or permitted by this Security Agreement shall be effective if given in accordance with the provisions of the Agreement.

12. **Duties of Administrative Agent.** Administrative Agent's duty with respect to any Collateral now or hereafter in the possession of Administrative Agent is solely to use reasonable care in the custody and preservation of the Collateral. Administrative Agent is deemed to have exercised reasonable care in the custody and preservation of the Collateral if the Collateral is accorded treatment substantially equal to that which Administrative Agent accords its own property. Administrative Agent has no responsibility for ascertaining or taking action with respect to fixing or preserving rights against prior parties to the Collateral, calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral or for informing Debtor of such matters whether or not Administrative Agent has or is deemed to have any knowledge of such matters. Administrative Agent is not required to take any steps necessary to preserve any rights in the Collateral against prior parties or to protect, perfect, preserve or maintain any security interest given to secure the Collateral. Administrative Agent is not liable for its failure to use due diligence in the collection of the Indebtedness, or for its failure to give notice to Debtor of default in the payment of the Indebtedness, or in the payment of or upon any security, whether pledged hereunder or otherwise. Administrative Agent is not liable for a decline in the market value of the Collateral.

13. **Indemnification.** Debtor agrees to indemnify and to hold Administrative Agent and the Secured Parties harmless from and against any loss, claim, demand or expense (including attorneys' fees) by reason, or in any manner related to, the Collateral or the foreclosure, sale or other disposition and subsequent ownership of any part thereof, including any such claim as may arise by reason of any alleged breach of warranty concerning the Collateral and any claims that any transferee of an interest in ENP or ENP GP has any liability for existing or future obligations of ENP or ENP GP in excess of its interest therein, by reason of the terms of the Organizational Documents of ENP or ENP GP or the failure of Debtor to comply with such Organizational Documents or the failure of Debtor, ENP or ENP GP to comply with any state or federal statute, rule, regulation, order or decree, or by reason of the Collateral or Administrative Agent's and/or the Secured Parties' efforts to enforce payment of the Indebtedness, including expenses incurred in satisfying any applicable securities and banking laws.

14. **Expenses.** To the extent permitted by applicable law Debtor promptly will pay, upon demand, any out-of-pocket expenses incurred by Administrative Agent in connection herewith, including all costs, expenses, taxes, assessments, insurance premiums, court costs, attorneys' fees, rent, storage costs, and expenses of sales incurred in connection with the administration of this Security Agreement, the enforcement of the rights of Administrative Agent hereunder, whether incurred before or after the occurrence of an Event of Default or incurred in connection with the obtaining, preservation, or defense of the Security Interest, or the perfection, custody, defense, protection, collection, repossession, enforcement or sale of the Collateral. All such expenses shall become part of the Indebtedness and shall bear interest at the highest lawful rate from the date paid or incurred by Administrative Agent until paid by Debtor.

15. **Copy Effective as Financing Statement.** Debtor authorizes Administrative Agent to file one or more financing statements describing the Collateral. A carbon, photographic, or other reproduction of this Security Agreement or a financing statement describing the Collateral shall be sufficient as a financing statement to the full extent permitted by applicable law.

16. **Written Waiver.** No waiver, modification, or alteration of any provision of this Security Agreement, nor consent to any departure from the terms hereof, or from the terms of any other document, shall be effective unless such is in writing and signed by Administrative Agent and, if applicable, the Majority Lenders, and any such waiver shall be effective only for the specific purpose and in the specific instance given. No waiver by Administrative Agent (and, if applicable, the Majority Lenders) of any Event of Default shall be deemed to be a waiver of any other or subsequent Event of Default nor shall such waiver be deemed to be a continuing waiver.

17. **Benefit.** This Security Agreement is binding upon and inures to the benefit of Debtor and Administrative Agent and their respective heirs, legal representatives, successors, and assigns, provided that Debtor may not, without the prior written consent of Administrative Agent, assign any rights, powers, duties or obligations hereunder.

18. **Remedies Cumulative.** All rights and remedies of Administrative Agent hereunder are cumulative of each other and of every other right or remedy which Administrative Agent may otherwise have at law or in equity or under any other document for the enforcement of the security interest or the enforcement of any duties of Debtor or any other party liable in respect to the Indebtedness. The exercise by Administrative Agent of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

19. **Amendment.** This Security Agreement may be amended only by written instrument signed by Debtor, Administrative Agent and, if applicable, the Majority Lenders.

20. **Course of Dealing.** No course of dealing between Debtor and Administrative Agent, nor any failure to exercise, nor any delay in exercising, any right, power or privilege of, Administrative Agent hereunder or under the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

21. **Severability.** The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections hereof shall not affect the remaining portions of this Security Agreement. If any one or more of the phrases, sentences, clauses, paragraphs or sections contained herein are invalid, or operate to render this Security Agreement invalid, then this Security Agreement shall be construed as if such invalid phrase or phrases, sentence or sentences, clause or clauses, paragraph or paragraphs, or section or sections had not been inserted.

22. **Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.** The provisions of Section 12.09 of the Agreement are incorporated herein by reference for all purposes.

23. **Satisfaction of Indebtedness.** Upon the satisfaction of all of the Indebtedness and the satisfaction of all additional costs and expenses of Administrative Agent as provided herein, this Security Agreement shall terminate, and Administrative Agent shall deliver to Debtor, at Debtor's expense, such of the Collateral as has not been sold or otherwise applied pursuant to this Security Agreement.

24. **Intercreditor Agreement.** Reference is made to the Lien Subordination and Intercreditor Agreement dated as of December 31, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "**Intercreditor Agreement**"), among Citibank, N.A., as Revolving Collateral Agent; BNP Paribas, as Term Loan Collateral Agent; Debtor; and the Subsidiaries of Debtor from time to time party thereto. Notwithstanding any other provision contained herein, this Security Agreement, the Liens created hereby and the rights, remedies, duties and obligations provided for herein are subject in all respects to the provisions of the Intercreditor Agreement and, to the extent provided therein, the applicable Senior Obligations Security Documents (as defined in the Intercreditor Agreement). In the event of any conflict or inconsistency between the provisions of this Security Agreement and the Intercreditor Agreement, the provisions of the Intercreditor Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Security Agreement as of the day and year first above written.

[This space is left intentionally blank. Signature pages follow.]

DEBTOR:

VANGUARD NATURAL GAS, LLC

5847 San Felipe, Suite 3000
Houston, Texas 77057

By: /s/ Richard Robert
Richard Robert
Executive Vice President
and Chief Financial Officer

Debtor Organizational Identification No.: 0601349

ADMINISTRATIVE AGENT:

CITIBANK, N.A.,
as Administrative Agent

8401 N. Central Expressway, Suite 500
Dallas, Texas 75225

By:/s/ Ryan Watson
Ryan Watson
Vice President

EXHIBIT A

PLEDGED INTERESTS

20,924,055 ENP Common Units issued by Encore Energy Partners LP and registered in the name of Vanguard Natural Gas, LLC, evidenced by Certificate No. ENP 0030 dated December 31, 2010.

100% of the outstanding ENP GP LLC Member Interests, issued by Encore Energy Partners GP LLC to Vanguard Natural Gas, LLC.

JOINT FILING AGREEMENT

The undersigned reporting persons hereby agree that, pursuant to Rule 13d-1(k) of Regulation 13D promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the statements filed pursuant to this Schedule 13D, to which this Agreement is filed as an exhibit, are filed on behalf of each of them.

VANGUARD NATURAL GAS, LLC

**BY: VANGUARD NATURAL RESOURCES, LLC,
its sole member.**

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

VANGUARD NATURAL RESOURCES, LLC

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

Date: December 31, 2010