SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT RULE 13d-2(a)

Vanguard Natural Resources, LLC

(Name of Issuer)

Common Units

(Title of Class of Securities)

92205F106

(CUSIP Number)

Mark Allen, Denbury Resources Inc., 5320 Legacy Drive, Plano, TX 75024

(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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. ☐

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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 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*)

CUSIP No. 92205F106

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Denbury Resources Inc.	
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) SC	
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 3,137,255
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 3,137,255
	10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,137,255	
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 10.6%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO	

CUSIP No. 92205F106

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Denbury Holdings Inc.	
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) SC	
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 3,137,255
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 3,137,255
	10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,137,255	
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 10.6%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO	

CUSIP No. 92205F106

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Denbury Operating Company	
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) SC	
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 3,137,255
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 3,137,255
	10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,137,255	
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 10.6%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO	

CUSIP No. 92205F106

1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY) Denbury Onshore, 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) SC	
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 3,137,255
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 3,137,255
	10	SHARED DISPOSITIVE POWER 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,137,255	
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 10.6%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) OO	

Item 1. Security and Issuer.

This Schedule 13D relates to common units representing limited liability company interests ("Common Units") of Vanguard Natural Resources, LLC, a Delaware limited liability company (the "Issuer"), whose principal executive offices are located at 5847 San Felipe, Suite 3000, Houston, Texas, 77057.

Item 2. Identity and Background.

(a) This Schedule 13D is filed by Denbury Resources Inc., a Delaware corporation (NYSE:DNR) ("Denbury"), Denbury Holdings, Inc., a Delaware corporation ("Denbury Holdings," f/k/a Denbury Encore Holdings, Inc.), Denbury Operating Company, a Delaware corporation ("Operating," f/k/a as EAP Properties, Inc.) , and Denbury Onshore, LLC, a Delaware limited liability company ("Onshore," as successor in interest to Encore Operating, L.P.), which are referred to herein collectively as the "Reporting Persons."

Denbury is a publicly traded oil and natural gas company. Denbury is the sole stockholder of Denbury Holdings, and Denbury Holdings is the sole stockholder of Operating. Operating is the sole member of Onshore. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

(b) The business address of each of the Reporting Persons is 5320 Legacy Drive, Plano, TX 75024.

(c) The principal business of Denbury is to engage in the acquisition, development, operation and exploration of oil and natural gas properties. Denbury Holdings' principal business is to engage in any business permitted by the laws of the State of Delaware. Operating's principal business is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law. Onshore's principal business is to engage in any lawful business, act or activity for which limited liability companies may be organized under the Delaware Limited Liability Company Act, as the same exists or may hereafter from time to time be amended.

(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 and Other Consideration.

On November 16, 2010, Denbury, Encore Partners GP Holdings LLC, a Delaware limited liability company ("GP Holdings"), Encore Partners LP Holdings LLC, a Delaware limited liability company ("LP Holdings"), Encore Operating, L.P., a Texas limited partnership, Vanguard Natural Gas, LLC, a Kentucky limited liability company ("Vanguard"), and the Issuer entered into a Purchase Agreement (the "Purchase Agreement"), whereby Denbury, GP Holdings, LP Holdings and Encore Operating, L.P. agreed to sell to Vanguard all of their respective interests in Encore Energy Partners LP (NYSE:ENP), a Delaware limited partnership, plus their interests in Encore Energy Partners GP LLC, a Delaware limited liability company as general partner of Encore Energy Partners LP (the "Sale Transaction"). The Sale Transaction closed December 31, 2010, following the satisfaction of certain customary closing conditions by the parties to the Purchase Agreement.

As partial consideration for the Sale Transaction, the Issuer issued to Encore Operating, L.P. the Common Units which are the subject of this filing. Following the closing of the Sale Transaction, Encore Operating, L.P. dissolved and transferred the Common Units which are the subject of this filing to Onshore.

In connection with the closing of the Sale Transaction, the Issuer and Encore Operating, L.P. entered into a registration rights agreement dated as of December 31, 2010 (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Issuer is obligated to file a registration statement covering the potential sale of the Common Units which are the subject of this filing. In addition, the Registration Rights Agreement gives the Reporting Persons piggyback registration rights under certain circumstances. The Registration Rights Agreement also includes provisions dealing with indemnification and contribution and allocation of expenses.

The foregoing descriptions of the Purchase Agreement and the Registration Rights Agreement are qualified in their entirety by reference to the Purchase Agreement and the Registration Rights Agreement, which are attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated herein by reference.

Item 4. Purpose of the Transaction.

As stated above in Item 3, the Common Units were acquired by Encore Operating, L.P. pursuant to the Sale Transaction, and subsequently transferred to Onshore.

The following describes plans or proposals that the Reporting Persons may have with respect to the matters set forth in Item 4(a)-(j) of this Schedule 13D:

(a) None.

(b) None.

(c) None.

(d) None.

(e) None.

(f) None.

(g) None.

(h) None.

(i) None.

(j) None.

Except as stated above, no Reporting Person has any plans or proposals of the type referred to in clauses (a) through (j) of Item 4 of Schedule 13D, although each reserves the right to formulate such plans or proposals in the future. 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, the financial condition of the Reporting Persons, 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.

Item 5. Interest in Securities of the Issuer.

(a) (1) Denbury, as the direct owner of Denbury Holdings, and as the indirect owner of Operating and Onshore, may be deemed to be the beneficial owner of 3,137,255 Common Units, which represents approximately 10.6% of the outstanding Common Units (based upon calculations made in accordance with Rule 13d-3 ("Rule 13d-3") of the Securities Exchange Act of 1934, as amended, assuming that the number of Common Units outstanding consists of 26,352,499 Common Units outstanding as of November 1, 2010, as reported on the cover of the Issuer's Form 10-Q for the period ended September 30, 2010, plus the 3,137,255 Common Units issued as a result of the Sale Transaction).

(2) Denbury Holdings is the indirect beneficial owner of 3,137,255 Common Units, which represents approximately 10.6% of the outstanding Common Units (based on calculations made in accordance with Rule 13d-3, assuming that the number of Common Units outstanding consists of 26,352,499 Common Units outstanding as of November 1, 2010, as reported on the cover of the Issuer's Form 10-Q for the period ended September 30, 2010, plus the 3,137,255 Common Units issued as a result of the Sale Transaction).

(3) Operating is the indirect beneficial owner of 3,137,255 Common Units, which represents approximately 10.6% of the outstanding Common Units (based on calculations made in accordance with Rule 13d-3, assuming that the number of Common Units outstanding consists of 26,352,499 Common Units outstanding as of November 1, 2010, as reported on the cover of the Issuer's Form 10-Q for the period ended September 30, 2010, plus the 3,137,255 Common Units issued as a result of the Sale Transaction).

(4) Onshore is the direct and beneficial owner of 3,137,255 Common Units, which represents approximately 10.6% of the outstanding Common Units (based on calculations made in accordance with Rule 13d-3, assuming that the number of Common Units outstanding consists of 26,352,499 Common Units outstanding as of November 1, 2010, as reported on the cover of the Issuer's Form 10-Q for the period ended September 30, 2010, plus the 3,137,255 Common Units issued as a result of the Sale Transaction).

(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 as described in Item 3 above or elsewhere in this Schedule 13D, none of the Reporting Persons or, to the Reporting Persons' knowledge, the Listed Persons has effected any transactions in the Common Units during the past 60 days.

(d) The Reporting Persons have the right to receive distributions from, and the proceeds from the sale of, the Common Units reported by Denbury on the cover page of this Schedule 13D and in this Item 5. See Schedule 1 for the information applicable to the Listed Persons. The Reporting Persons may have the right to receive or the power to direct the receipt of dividends or distributions from, or the proceeds from the sale of, Common Units beneficially owned by the Reporting Persons. Except for the foregoing, no other person is known by the Reporting Persons to have the right to receive or the power to direct the receipt of dividends or distributions from, or the

proceeds from the sale of, Common Units beneficially owned by the Reporting Persons or, to the Reporting Persons' knowledge, the Listed Persons.

(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.

Item 7. Materials to be Filed as Exhibits.

99.1* Purchase Agreement by and among Denbury Resources Inc., Encore Partners GP Holdings LLC, Encore Partners LP Holdings LLC, Encore Operating, L.P., Vanguard Natural Gas, LLC and VanguardNatural Resources, LLC, dated as of November 16, 2010.

99.2* Registration Rights Agreement among Vanguard Natural Resources, LLC and Encore Operating L.P., dated as of December 31, 2010.

99.3* Joint Filing Statement

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* Filed herewith

SIGNATURE

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

Date: January 14, 2011

Denbury Resources Inc.

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Holdings Inc.

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Operating Company

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Onshore, LLC

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Schedule 1
Listed Persons
(As of January 14, 2011)

Executive Officers of Denbury Resources Inc.

Phil Rykhoek
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Chief Executive Officer
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Ronald T. Evans
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: President and Chief Operating Officer
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Mark C. Allen
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Senior Vice President and Chief Financial Officer
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Robert L. Cornelius
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Senior Vice President — Operations
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Dan E. Cole
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Marketing
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Bradley A. Cox
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Business Development
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

H. Raymond Dubuisson
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Legal
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Charlie Gibson
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — West Region
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Jeff Marcel
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Drilling
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Alan Rhoades
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Accounting, Chief Accounting Officer
Citizenship: USA
Amount Beneficially Owned: 0

Barry Schneider
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — East Region
Citizenship: USA
Amount Beneficially Owned: 0

John Filiatrault
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — CO2 Supply & Pipeline Operations
Citizenship: USA
Amount Beneficially Owned: 0

Greg Dover
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — North Region
Citizenship: USA
Amount Beneficially Owned: 0

Whitney M. Shelley
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Vice President — Human Resources
Citizenship: USA
Amount Beneficially Owned: 0

Board of Directors of Denbury Resources Inc.

Wieland Wettstein
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Chairman of the Board, President of Finex Financial Corporation Ltd.
Citizenship: USA
Amount Beneficially Owned: 0

Michael L. Beatty
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Chairman and Chief Executive Officer of Beatty & Wozniak, P.C.
Citizenship: USA
Amount Beneficially Owned: 0

Michael B. Decker
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Principle with Wingate Partners
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Ronald G. Greene
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024

Principal Occupation: Principal Stockholder and Officer and Director of Tortuga Investment Corp.
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

David I. Heather
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Independent Consultant
Citizenship: USA
Amount Beneficially Owned: 0 Common Units

Gary L. McMichael
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Independent Consultant
Citizenship: USA
Amount Beneficially Owned: 0

Gareth Roberts
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Geological Advisor for Denbury Resources Inc. and Non-Executive Chairman of Petro Harvester Oil & Gas, LLC
Citizenship: USA
Amount Beneficially Owned: 0

Randy Stein
c/o Denbury Resources Inc., 5320 Legacy Drive, Plano, Texas, 75024
Principal Occupation: Independent Consultant
Citizenship: USA
Amount Beneficially Owned: 0

Executive Officers of Denbury Holdings Inc.

Phil Rykhoek
Chief Executive Officer
(see above)

Ronald T. Evans
President and Chief Operating Officer
(see above)

Robert L. Cornelius
Senior Vice President — Operations, Assistant Secretary
(see above)

Mark C. Allen
Senior Vice President, Chief Financial Officer, Treasurer, Assistant Secretary
(see above)

H. Raymond Dubuisson
Vice President — Legal, Secretary
(see above)

Alan Rhoades
Vice President — Accounting, Chief Accounting Officer
(see above)

Directors of Denbury Holdings Inc.

Phil Rykhoek
(see above)

Ronald T. Evans
(see above)

Robert L. Cornelius
(see above)

Mark C. Allen
(see above)

Executive Officers of Denbury Operating Company (f/k/a EAP Properties, Inc.)

Phil Rykhoek
Chief Executive Officer
(see above)

Ronald T. Evans
President and Chief Operating Officer
(see above)

Mark C. Allen
Senior Vice President and Chief Financial Officer
(see above)

Robert L. Cornelius
Senior Vice President — Operations
(see above)

Dan E. Cole
Vice President — Marketing
(see above)

Bradley A. Cox
Vice President — Business Development
(see above)

H. Raymond Dubuisson
Vice President — Legal
(see above)

Charlie Gibson
Vice President — West Region
(see above)

Jeff Marcel
Vice President — Drilling
(see above)

Alan Rhoades
Vice President — Accounting, Chief Accounting Officer
(see above)

Barry Schneider
Vice President — East Region
(see above)

John Filiatrault
Vice President — CO2 Supply & Pipeline Operations
(see above)

Greg Dover
Vice President — North Region
(see above)

Whitney M. Shelley
Vice President — Human Resources
(see above)

Directors of Denbury Operating Company (f/k/a EAP Properties, Inc.)

Phil Rykhoek
(see above)

Ronald T. Evans
(see above)

Robert L. Cornelius
(see above)

Mark C. Allen
(see above)

Executive Officers of Denbury Onshore, LLC

Phil Rykhoek
Chief Executive Officer
(see above)

Ronald T. Evans
President and Chief Operating Officer
(see above)

Mark C. Allen
Senior Vice President and Chief Financial Officer
(see above)

Robert L. Cornelius
Senior Vice President — Operations
(see above)

Dan E. Cole
Vice President — Marketing
(see above)

Bradley A. Cox
Vice President — Business Development
(see above)

H. Raymond Dubuisson
Vice President — Legal
(see above)

Charlie Gibson
Vice President — West Region
(see above)

Jeff Marcel
Vice President — Drilling
(see above)

Alan Rhoades
Vice President — Accounting, Chief Accounting Officer
(see above)

Barry Schneider
Vice President — East Region
(see above)

John Filiatrault
Vice President — CO2 Supply & Pipeline Operations
(see above)

Greg Dover
Vice President — North Region
(see above)

Whitney M. Shelley
Vice President — Human Resources
(see above)

Managers of Denbury Onshore, LLC

Phil Rykhoek
(see above)

Ronald T. Evans
(see above)

Robert L. Cornelius
(see above)

Mark C. Allen
(see above)

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* Unless otherwise indicated, the Listed Person has sole power to vote or direct the vote and sole power to dispose or to direct the disposition of the Common Units.

AGREEMENT OF JOINT FILING

Pursuant to Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned persons hereby agree to file with the Securities and Exchange Commission, the Statement on Schedule 13D (the "Statement") to which this Agreement is attached as an exhibit, and agree that such Statement, as so filed, is filed on behalf of each of them.

This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Date: January 14, 2011

Denbury Resources Inc.

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Holdings Inc.

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Operating Company

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

Denbury Onshore, LLC

By: /s/ Mark Allen
Sr. Vice President and Chief Financial Officer

EXHIBIT INDEX

99.1	Purchase Agreement by and among Denbury Resources Inc., Encore Partners GP Holdings LLC, Encore Partners LP Holdings LLC, Encore Operating, L.P., Vanguard Natural Gas, LLC and Vanguard Natural Resources, LLC, dated as of November 16, 2010.
99.2	Registration Rights Agreement among Vanguard Natural Resources, LLC and Encore Operating L.P., dated as of December 31, 2010.
99.3	Joint Filing Statement

Exhibit 99.1

Execution Version

PURCHASE AGREEMENT

by and among

DENBURY RESOURCES INC.,

ENCORE PARTNERS GP HOLDINGS LLC,

ENCORE PARTNERS LP HOLDINGS LLC, AND

ENCORE OPERATING, L.P.

as Selling Parties,

and

VANGUARD NATURAL GAS, LLC,
as Buyer,

and

VANGUARD NATURAL RESOURCES, LLC

for the purchase and sale of

all of the member interests of

ENCORE ENERGY PARTNERS GP LLC,
a Delaware Limited Liability Company

and

20,924,055 Common Units of

ENCORE ENERGY PARTNERS LP,
a Delaware Limited Partnership

Dated as of November 16, 2010

TABLE OF CONTENTS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement"), dated as of November 16, 2010 (the "Execution Date"), by and among Denbury Resources Inc., a Delaware corporation ("Parent"), Encore Partners GP Holdings LLC, a Delaware limited liability company ("GP Holdings"), Encore Partners LP Holdings LLC, a Delaware limited liability company ("LP Holdings"), and Encore Operating, L.P., a Texas limited partnership ("Operating," and together with Parent, GP Holdings and LP Holdings, the "Selling Parties"), Vanguard Natural Gas, LLC, a Kentucky limited liability company ("Buyer") and Vanguard Natural Resources, LLC ("Vanguard"). The Selling Parties, Buyer and Vanguard are referred to collectively herein as the "Parties" and individually as a "Party." Capitalized terms not otherwise defined shall have the meanings assigned to such terms in Article XI.

WITNESSETH:

WHEREAS, Parent indirectly owns all of the outstanding equity interests in GP Holdings, LP Holdings and Operating;

WHEREAS, GP Holdings owns all of the member interests (the "Member Interests") in, and is the sole member of, Encore Energy Partners GP LLC, a Delaware limited liability company ("ENP GP");

WHEREAS, ENP GP is the sole general partner of Encore Energy Partners LP, a Delaware limited partnership (the "Partnership"), and ENP GP owns 504,851 General Partner Units of the Partnership (the "GP Units") which represent a 1.10% Percentage Interest (as that term is defined in the Partnership Agreement) in the Partnership;

WHEREAS, LP Holdings owns 9,995,801 Common Units representing limited partner interests in the Partnership (the "Common Units"), which represent a 21.80% Percentage Interest in the Partnership, and Operating owns 10,928,254 Common Units, which represent a 23.84% Percentage Interest in the Partnership (collectively the "Subject Common Units");

WHEREAS, Buyer desires to purchase the Member Interests from GP Holdings and become the sole member of ENP GP, and GP Holdings desires to sell the Member Interests to Buyer and cease to be a member of ENP GP, and Buyer desires to purchase the Subject Common Units from LP Holdings and Operating, and LP Holdings and Operating desire to sell their respective Subject Common Units to Buyer and cease to be limited partners of the Partnership, in each case upon the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual terms, conditions and other agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I
SALE AND PURCHASE

Section 1.1 Agreement to Sell and to Purchase.

(a) On the Closing Date (as hereinafter defined) and upon the terms and subject to the conditions set forth in this Agreement, in consideration of the Purchase Price (as hereinafter defined):

(i) GP Holdings shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and accept from GP Holdings, the Member Interests; and

(ii) LP Holdings and Operating shall sell, assign, transfer, convey, and deliver to Buyer, and Buyer shall purchase and accept from LP Holdings and Operating their respective Subject Common Units,

in each case free and clear of any pledges, restrictions on transfer, proxies, voting or other agreements, liens, claims, charges, mortgages, security interests or other legal or equitable encumbrances, limitations or restrictions of any nature whatsoever (" Encumbrances"), except for (1) restrictions on transfer arising under applicable securities Laws, (2) the applicable terms and conditions of the Partnership Agreement, (3) in the case of the Member Interests, the applicable terms and conditions of the Limited Liability Company Agreement of ENP GP dated as of February 13, 2007, as amended (the " ENP GP LLC Agreement"), and (4) Encumbrances that result from the actions of Buyer.

(b) The closing of the sales and purchases set forth in Section 1.1(a) (the "Closing") shall take place at 9:00 a.m. (Central Time) at the offices of Baker & Hostetler LLP in Houston, Texas or at such other place as the Parties shall agree in writing, on a date to be specified by the Parties, which shall be the later of (i) the second Business Day following the satisfaction or (to the extent permitted by Law) waiver by the party or parties entitled to the benefits thereof of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing and (ii) December 31, 2010. The date on which the Closing occurs is referred to in this Agreement as the " Closing Date."

(c) Buyer hereby agrees that effective simultaneously with the Closing and its acquisition of:

(i) the Member Interests, it will be bound by and subject to the terms and conditions of the ENP GP LLC Agreement, and acknowledges that ENP GP is a party to, bound by, and subject to the terms and conditions of, the Partnership Agreement; and

(ii) the Subject Common Units, it will be bound by and subject to the terms and conditions of the Partnership Agreement.

(d) Buyer hereby agrees that effective simultaneously upon consummation of the Closing and the delivery of the Member Interests Bill of Sale by GP Holdings to Buyer, Buyer will assume and agree to pay, perform and discharge when due all of GP Holding's obligations, duties and liabilities under the ENP GP LLC Agreement from and after the consummation of the

Closing. Effective simultaneously with the Closing, GP Holdings will cause Buyer to be admitted as the member of ENP GP with the right to participate in the management of the business and affairs, and to exercise the rights and powers of a member, of ENP GP, and concurrently therewith GP Holdings will cease to be the member of ENP GP and cease to have or exercise any right or power as a member of ENP GP except for the rights of indemnification as provided by the ENP GP LLC Agreement and the Partnership Agreement. The assignment and transfer of the Member Interests, the admission of Buyer as a member of ENP GP, and GP Holdings ceasing to be a member of ENP GP, will not dissolve ENP GP and ENP GP will continue without dissolution subsequent to the Closing.

Section 1.2 Deliveries at Closing.

(a) Prior to Closing the parties shall take the following actions, and at the Closing, the Selling Parties shall make the following deliveries to Buyer and take the following further actions:

(i) Transfer of Membership Interests. A bill of sale in a form to be agreed upon by Buyer and the Selling Parties, evidencing the assignment, transfer and delivery to Buyer of the Member Interests, duly executed by GP Holdings (the " Member Interests Bill of Sale").

(ii) Transfer of the Subject Common Units. Prior to Closing each of LP Holdings and Operating will deliver to the Transfer Agent for the Common Units (the "Transfer Agent") the certificates representing their respective Subject Common Units, in each case with the assignment properly completed and duly executed and with the signature(s) thereon guaranteed. Prior to Closing, Buyer will deliver to the Transfer Agent a properly completed and duly executed Transfer Application with respect to the Subject Common Units. At the Closing ENP and the Partnership will cause the Transfer Agent to issue certificates for the Subject Common Units registered in the name of Buyer or its designee. If the Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then at the Closing, the Selling Parties shall identify and designate the Subject Common Units to be transferred to Buyer in exchange for such Equity Portion (the " Contributed Subject Common Units").

(iii) FIRPTA Certificates. Each Selling Party will deliver to Buyer a certificate of such Selling Party meeting the requirements of Treasury Regulation Section 1.1445-2(b)(2) certifying that such Seller Party is not a "foreign person" within the meaning of Section 1445 of the Code, duly executed by such Selling Party.

(iv) Closing Certificates. The officers' certificates contemplated by Section 7.2(c), Section 7.2(d) and Section 7.2(e), in each case, executed by a duly authorized executive officer of each of the Selling Parties.

(v) Resignations. Duly executed copies of the resignations of each of the Resigning Directors and each of the officers of ENP GP listed in Section 6.15.

(vi) Legal Opinion. An opinion from Baker & Hostetler LLP, counsel to the Selling Parties, dated as of the Closing Date and reasonably satisfactory to Buyer, a form of which is attached hereto as Exhibit 1.2(a)(vi).

(vii) Registration Rights Agreement. If the Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3 below, a counterpart of a Registration Rights Agreement in the form attached as Exhibit 1.2(a)(vii) hereto (the "Registration Rights Agreement") duly executed by the Selling Party or Selling Parties to whom Vanguard will issue Vanguard Common Units comprising the Equity Portion of the Purchase Price.

(viii) Second Amended and Restated Administrative Services Agreement. A counterpart of the Second Amended and Restated Administrative Services Agreement in the form attached as Exhibit 1.2(a)(viii) hereto (the "Second Amended and Restated Administrative Services Agreement") duly executed by Denbury Resources Inc. and all parties signatory to that agreement.

(b) At the Closing, the Buyer shall make the following deliveries to the applicable Selling Parties and take the following further actions:

(i) Purchase Price. At the Closing, the Buyer shall (A) make payment to the Selling Parties of the Cash Portion (as hereinafter defined) of the Purchase Price, and shall cause the Escrow Agent (as hereinafter defined) to release the Deposit to the Selling Parties, all as provided in Section 1.3 below, allocated among the Selling Parties in such amounts as provided on Exhibit 1.3 hereto.

(ii) Second Amended and Restated Administrative Services Agreement. At the Closing, the Buyer shall deliver a counterpart of the Second Amended and Restated Administrative Services Agreement, duly executed by Buyer and all parties signatory to that agreement.

(c) If the Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then at the Closing, Buyer or Vanguard, as applicable, shall make the following deliveries to the applicable Selling Parties or Selling Party designees:

(i) Vanguard Common Units. Vanguard shall issue and deliver to such Person or Persons designated in writing by the Selling Parties common units representing membership interests in Vanguard (the "Vanguard Common Units") comprising the Equity Portion of the Purchase Price, as provided in Section 1.3 below.

(ii) Legal Opinion. An opinion from Vinson & Elkins L.L.P., counsel to Buyer, a form of which is attached hereto as Exhibit 1.2(c)(ii).

(iii) Registration Rights Agreement. A counterpart of the Registration Rights Agreement, duly executed by Vanguard.

(iv) Closing Certificates. The officers' certificates contemplated by Section 7.3(b) and Section 7.3(c), and if applicable Section 7.3(d) and Section 7.3(e), in each case, executed by a duly authorized executive officer of Buyer.

Section 1.3 Purchase Price. The Purchase Price will be $380,000,000, (i) $20,000,000 of which (the " Deposit") the Escrow Agent (as hereinafter defined) shall release on the Closing Date by wire transfer to the Selling Parties in immediately available funds made to such bank account or accounts as designated in writing by the Selling Parties, (ii) up to $80,000,000 of which may, at the election of Buyer in its sole discretion, be paid in Vanguard Common Units valued at $25.50 per unit (if any, the "Equity Portion"), and (iii) the remainder of which shall be paid in cash by Buyer to the Selling Parties at Closing (the " Cash Portion") by wire transfer to the Selling Parties in immediately available funds made to such bank account or accounts as designated in writing by the Selling Parties on or before the Closing Date. The election described in (ii) must be made in writing by the Buyer prior to the close of business on December 21, 2010 (unless prior to that date Buyer and the Selling Parties agree that closing will not take place on or before December 31, 2010, in which case such election must be made ten days prior to the Closing Date); if Buyer fails to make such election by such date, no portion of the payment may be paid in Vanguard Common Units. The Purchase Price will be allocated as agreed to by Buyer and the Selling Parties prior to Closing. The Purchase Price will be allocated among the Member Interests and the Subject Common Units as agreed to by Buyer and the Selling Parties prior to Closing. Any adjustments under Section 743(b) of the Code and any gain under Section 751 of the Code will be allocated in accordance with the Partnership's past practices.

Section 1.4 Deposit. Simultaneously with the execution of this Agreement, Buyer has paid to JPMorgan Chase Bank, National Association (the " Escrow Agent") the Deposit and Buyer, the Selling Parties and the Escrow Agent have each executed and delivered to the others an agreement (the " Escrow Agreement") regarding the terms and conditions on which the Escrow Agent will hold and pay out the Deposit.

Section 1.5 Transfer Restriction.

(a) In the event that Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then each of the Selling Parties who receives any of the Equity Portion (such Vanguard Common Units so received being referred to herein as the " Equity Portion Consideration Common Units") agrees with Buyer that, during the period beginning on and including Closing Date through July 31, 2011 (the " Lock-up Period"), such Selling Party will not, without the prior written consent of Buyer, directly or indirectly:

(i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any Equity Portion Consideration Common Units; or

(ii) enter into any swap or other agreement, arrangement or transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any Equity Portion Consideration Common Units;

whether any transaction described in clause (i) or (ii) above is to be settled by delivery of Equity Portion Consideration Common Units, other securities, in cash or otherwise; provided that commencing July 1, 2011, the Selling Parties may make sales of a portion of the Equity Portion Consideration Common Units, in compliance with and pursuant to the provisions of Rule 144 promulgated under the Securities Act of 1933 applicable to an "affiliate" as defined therein.

(b) Subject to Section 1.5 above, each Selling Party further agrees that Vanguard may, with respect to any Equity Portion Consideration Common Units, cause its transfer agent or other registrar to enter stop transfer instructions and implement stop transfer procedures with respect to such securities during the Lock-up Period.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLING PARTIES

As of the Execution Date, and also as of the Closing Date (except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date), each of the Selling Parties hereby represents and warrants to Buyer as follows:

Section 2.1 Organization.

(a) Each of the Selling Parties (i) is a corporation, limited liability company or limited partnership, as the case may be, duly incorporated or formed, as the case may be, validly existing and in good standing under the Laws of Delaware or Texas, as the case may be, (ii) has all requisite legal and corporate or other entity power and authority, as the case may be, to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iii) except with respect to Parent, has all material governmental licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iv) is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except with respect to (iii) and (iv) for circumstances which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair such Selling Parties' ability to perform their obligations under this Agreement. Each of the Selling Parties has made available to Buyer true and complete copies of the Organizational Documents of each Selling Party, as in effect on the Execution Date.

(b) ENP GP (i) is a limited liability company duly formed, validly existing and in good standing under the Laws of Delaware, (ii) has all requisite legal and limited liability company power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iii) has all material governmental licenses, authorizations, permits, consents and approvals required to own, lease, and operate its properties and to conduct its business as currently owned and conducted, and (iv) is duly qualified to do business and is in good standing in each jurisdiction where the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except with respect to (iv) for circumstances which, individually or in the aggregate, could not

reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transaction contemplated by this Agreement or to impair any Selling Party's ability to perform its obligations under this Agreement. Schedule 2.1(b) sets forth all of the jurisdictions in which ENP GP is qualified to do business.

Section 2.2 Validity of Agreement; Authorization. Each of the Selling Parties has (with respect to this Agreement and the Escrow Agreement), or on the Closing Date and at the time of Closing will have (with respect to all other Transaction Documents to which it is a party), full power and authority to enter into this Agreement and the other Transaction Documents to which it is party and to perform its obligations hereunder and thereunder and to comply with the terms and conditions hereunder and thereunder. The execution and delivery of this Agreement and such other Transaction Documents and the performance by the Selling Parties of their obligations hereunder and thereunder have or will have been duly authorized by the Board of Directors or other governing body of each of the Selling Parties, and no other proceedings on the part of any of the Selling Parties are necessary to authorize such execution, delivery and performance. This Agreement and the other Transaction Documents to which any of the Selling Parties is party have been (in the case of this Agreement and the Escrow Agreement), or will be at the Closing (in the case of such other Transaction Documents), duly executed and delivered by each of the Selling Parties that is a party thereto, as applicable, and constitute (in the case of this Agreement and the Escrow Agreement), or will constitute at the Closing (in the case of such other Transaction Document) such Selling Party's valid and binding obligation enforceable against each such Selling Party in accordance with its terms.

Section 2.3 No Conflict or Violation. Except as set forth in Schedule 2.3, the execution, delivery and performance of this Agreement and the other Transaction Documents to which each of the Selling Parties is a party does not and will not: (a) violate or conflict with any provision of the Organizational Documents of any Selling Party, ENP GP or the Partnership; (b) violate any applicable provision of law, statute, judgment, order, writ, injunction, decree, award, rule, or regulation ("Law") of any Governmental Authority binding on the Selling Parties or on ENP GP acting on its own behalf (rather than on behalf of the Partnership); (c) violate, result in a breach of, constitute (with due notice or lapse of time or both) a default or cause any obligation, penalty or premium to arise or accrue under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which any of the Selling Parties is a party or by which any of them in such capacities is bound or to which any of their respective properties or assets are subject; (d) result in the creation or imposition of any Encumbrances, limitations or restrictions upon any of the properties or assets of any of the Selling Parties; or (e) result in the cancellation, modification, revocation or suspension of any consent, license, permit, certificate, franchise, authorization, registration or filing with any Governmental Authority of any of the Selling Parties or of ENP GP obtained, held or made on its own behalf (rather than on behalf of the Partnership), except in the case of clauses (c) and (d), as is resolved by (A) any consent or waiver of Parent's lenders under the Denbury Credit Agreement (the "Denbury Lender Consent") to permit the transactions contemplated by this Agreement, which is to be obtained by the Selling Parties in accordance with the terms of such Credit Agreement prior to Closing or (B) the Partnership Bank Waivers if obtained pursuant to Section 6.12, and (C) as could not reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair such Selling Party's ability to perform its obligations under this Agreement (provided this clause (C)

will not modify Selling Parties' representations regarding Encumbrances affecting the Member Interests or the Subject Common Units).

Section 2.4 Consents and Approvals. Except for (i) the Denbury Lender Consent, (ii) the Partnership Bank Waivers, (iii) as disclosed on Schedule 2.4, or (iv) as could not reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair the Selling Parties' ability to perform their obligations under this Agreement, the Selling Parties' execution and delivery of this Agreement or the other Transaction Documents to which any of the Selling Parties is party or performance of their respective obligations hereunder or thereunder, does not require the consent, approval, waiver or authorization of, or filing, registration or qualification with, any Person, by any of the Selling Parties or ENP GP (acting on its own behalf rather than on behalf of the Partnership).

Section 2.5 Capitalization of ENP GP; General Partner Interest; Subject Common Units .

(a) GP Holdings is the sole member of and the sole record and beneficial owner of, and has valid title to, the Member Interests in ENP GP, free and clear of any Encumbrances except for (i) restrictions on transfer arising under applicable securities Laws, (ii) the applicable terms and conditions of the ENP GP LLC Agreement, (iii) the applicable terms and conditions of the Partnership Agreement, and (iv) matters described on Schedule 2.5(a). The Member Interests have been duly authorized and validly issued in accordance with the ENP GP LLC Agreement, are fully paid (to the extent required by the ENP GP LLC Agreement) and nonassessable (except as such nonassessability may be affected by Section 18-607 of the Delaware Limited Liability Company Act (the "Delaware LLC Act")). There are no preemptive or other rights to subscribe for or to purchase, and except as set forth in Schedule 2.5(a), no restriction upon the voting or transfer of, any interest in ENP GP. Other than this Agreement, there are no outstanding options, warrants or similar rights to purchase or acquire from ENP GP or any of the Selling Parties any equity interests in ENP GP. ENP GP has no outstanding bonds, debentures, notes or other obligation the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the holders of Member Interests in ENP GP. The Selling Parties have delivered a true, correct and complete copy of the ENP GP LLC Agreement to Buyer.

(b) ENP GP is the sole general partner of the Partnership. ENP GP is the sole record and beneficial owner of the GP Units, which represents a 1.10% Percentage Interest in the Partnership. The GP Units have been duly authorized and validly issued in accordance with the Partnership Agreement and are held free and clear of any Encumbrances except for (i) restrictions on transfer arising under applicable securities Laws, (ii) matters described on Schedule 2.5(b), if any, and (iii) applicable terms and conditions of the Partnership Agreement. Other than the GP Units, ENP GP does not own any equity interest in any other Person.

(c) LP Holdings and Operating are the sole record and beneficial owners of, and have valid title to, their respective Subject Common Units free and clear of any Encumbrances except for (i) restrictions on transfer arising under applicable securities Laws, (ii) matters described on Schedule 2.5(c), if any, and (iii) applicable terms and conditions of the Partnership

Agreement. The Subject Common Units have been duly authorized and validly issued in accordance with the Partnership Agreement, are fully paid (to the extent required by the Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Section 17-607 of the Delaware Revised Uniform Limited Partnership Act (the "Delaware LP Act")). Other than this Agreement, there are no outstanding options, warrants or similar rights to purchase or acquire from LP Holdings or Operating any of the Subject Common Units.

Section 2.6 Business of ENP GP; Absence of Undisclosed Liabilities . ENP GP has never engaged in or conducted, directly or indirectly, any business or other activities other than acting as the general partner of the Partnership and owning the GP Units, or incurred any indebtedness, liability or obligations, absolute or contingent except in connection with or incidental to (i) its performance as general partner of the Partnership, or (ii) the acquiring, owning or disposing of any debt or equity securities of the Partnership Entities.

Section 2.7 Absence of Certain Changes or Events. Since December 31, 2009, the business of ENP GP has been conducted in the ordinary course of business consistent with past practices. Since December 31, 2009 there has not been or occurred any event or condition that has had or could reasonably be expected to have a Material Adverse Effect, and ENP GP has not suffered any damage, destruction or other casualty loss (whether or not covered by insurance) to its properties or assets (recognizing that properties and assets of the Partnership are not properties and assets of ENP GP) that are material to the business of ENP GP, provided, however, that for purposes of this Section 2.7, all references to the Partnership Entities will be disregarded in the definition of "Material Adverse Effect."

Section 2.8 Litigation. There are no Legal Proceedings pending or, to the Knowledge of the Selling Parties threatened, against or involving the Selling Parties that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or to prevent or delay the consummation of the transaction contemplated by this Agreement or to impair such Selling Party's ability to perform its obligations under this Agreement, and there is no order, judgment, injunction or decree of any Governmental Authority outstanding against any of the Selling Parties that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or to prevent or delay the consummation of the transaction contemplated by this Agreement or to impair such Selling Party's ability to perform its obligations under this Agreement, provided, however, that for purposes of this Section 2.8, all references to the Partnership Entities will be disregarded in the definition of "Material Adverse Effect." " Legal Proceeding" shall mean any judicial or administrative, suits, proceedings (public or private), claims, investigations or proceedings before any Governmental Authority or arbitral actions.

Section 2.9 Regulatory Matters.

(a) ENP GP is not a "public utility company," "holding company" or "subsidiary" or "affiliate" of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(b) ENP GP is not an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 2.10 Solvency. Each of the Selling Parties is, and immediately after giving effect to the transactions contemplated by this Agreement and the Transaction Documents will be Solvent. For purposes of this Section 2.10, "Solvent" means, with respect to the applicable party on any date of determination, that on such date (a) the fair value of the property of such party is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such party that would constitute liabilities under GAAP, (b) the present fair equivalent value of the assets of such party is not less than the amount that will be required to pay its debts as they become absolute and matured, taking into account the possibility of refinancing such obligations and selling assets, (c) such party does not intend to, and does not believe that it will, incur debts or liabilities beyond such party's ability to pay such debts as they mature taking into account the possibility of refinancing such obligations and selling assets, and (d) such party is not engaged in business or a transaction, and does not intend to engage in business or a transaction, for which such party's property remaining after such transaction would constitute unreasonably small capital.

Section 2.11 Brokers. Subject to Schedule 2.11, no broker, investment banker, financial advisor or other Person, other than Wells Fargo Securities (the fees and expenses of which will be paid by Parent), is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby based upon arrangements made by or on behalf of any Selling Party, ENP GP, the Partnership or its Subsidiaries.

Section 2.12 Employee Plans.

(a) There does not now exist, nor do any circumstances exist that could reasonably be expected to result in, any Plan Liability with respect to the Employee Plans sponsored, maintained, contributed to, or required to be sponsored, maintained, or contributed to by the Selling Parties and any Person that, together with the Selling Parties, is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code (an " ERISA Affiliate"), that would be a liability of ENP GP or the Partnership Entities following the Closing.

(b) Schedule 2.12(b) sets forth a list as of the date hereof of the job titles and annual salaries or hourly wages for the previous year (if the Closing Date occurs after December 31, 2010) for all employees of the Selling Parties and their Affiliates who spend all of their business time providing services related to ENP GP or the Partnership Entities (the "Subject Employees"). As of the date hereof (i) none of the Subject Employees are subject to any collective bargaining agreements or other labor contract with any of the Selling Parties or their Affiliates, (ii) to the Knowledge of the Selling Parties, none of ENP GP or any of the Partnership Entities has currently agreed to recognize any union or other collective bargaining representative, and (iii) since January 1, 2010 through the date hereof, no union or other collective bargaining representative, to the Knowledge of the Selling Parties, has attempted to organize or been certified as the exclusive bargaining representative of any Subject Employee. There is no labor strike or work stoppage pending or, to the Knowledge of the Selling Parties, threatened that involves the Subject Employees. There is no pending or, to the Knowledge of the Selling Parties, threatened labor dispute, grievance or litigation relating to labor matters involving the Subject Employees (including those alleging any material violation of any labor, safety or employment Laws, charges of unfair labor practices, wage complaints or

discrimination complaints). No Subject Employee is subject to any individual employment agreement or change in control payments other than those payments to be made by Parent under Section 6.13 of this Agreement, and each Subject Employee is an at-will employee.

Section 2.13 Selling Parties Status. None of the Selling Parties is an employee benefit plan or other organization exempt from taxation pursuant to Section 501(a) of the Code, a non-resident alien, a foreign corporation or other foreign Person, or a regulated investment company within the meaning of Section 851 of the Code. None of the Selling Parties nor any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, any of the Selling Parties, within the meaning of the HSR Act and the rules promulgated thereunder, owns any Vanguard Common Units or other equity interests in the Vanguard. Each of the Selling Parties (including to the best of the Knowledge of the Selling Parties any Person for whom any of the Selling Parties will hold any Vanguard Common Units comprising the Equity Portion of the Purchase Price, if any) is an Eligible Holder (as that term is defined in the Vanguard LLC Agreement).

Section 2.14 Investment Intent; Investment Experience; Restricted Securities. In acquiring the Vanguard Common Units comprising the Equity Portion of the Purchase Price, if any, none of the Selling Parties is offering or selling, and shall not offer or sell such Vanguard Common Units, in connection with any distribution of any of such Vanguard Common Units, and each of the Selling Parties has no participation and shall not participate in any such undertaking or in any underwriting of such an undertaking except in compliance with applicable federal and state securities Laws. The Selling Parties that receive such Vanguard Common Units acknowledge that they can bear the economic risk of their investment in the Vanguard Common Units comprising the Equity Portion of the Purchase Price, if any, and have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of an investment in such Vanguard Common Units. Such Selling Parties are "accredited investors" as such term is defined in Regulation D under the Securities Act. Such Selling Parties understand that the Vanguard Common Units comprising the Equity Portion of the Purchase Price, if any, will not have been registered pursuant to the Securities Act or any applicable state securities Laws, that such Vanguard Common Units shall be characterized as "restricted securities" under federal securities Laws and that under such Laws and applicable regulations such Vanguard Common Units cannot be sold or otherwise disposed of without registration under the Securities Act or an exemption therefrom.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLING PARTIES CONCERNING ENP GP AND THE PARTNERSHIP ENTITIES

As of the Execution Date, and also as of the Closing Date (except to the extent that any statement is specifically limited by the terms thereof to the date of this Agreement or another specified date), each of the Selling Parties hereby represents and warrants to Buyer as follows:

Section 3.1 Organization. Each of the Partnership Entities (i) is a corporation, limited partnership or limited liability company, as the case may be, duly incorporated or formed, as the case may be, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, (ii) has all requisite legal and corporate or other entity power and

authority, as the case may be, to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iii) has all material governmental licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, and (iv) is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except with respect to clause (iv) for circumstances which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair such Selling Party's ability to perform its obligations under this Agreement.

Section 3.2 No Conflict or Violation. The execution, delivery and performance of this Agreement and the Transaction Documents to which any of the Selling Parties is party by each of the Selling Parties does not and will not: (a) violate or conflict with any provision of the Organizational Documents of any of the Partnership Entities; (b) violate any Law of any Governmental Authority binding on any of the Partnership Entities or ENP GP; (c) violate, result in a breach of, constitute (with due notice or lapse of time or both) a default or cause any obligation, penalty or premium to arise or accrue under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which any of the Partnership Entities is a party or ENP GP is a party or by which any of them is bound or to which any of their respective properties or assets is subject; (d) result in the creation or imposition of any Encumbrance upon any of the properties or assets of any of the Partnership Entities; or (e) result in the cancellation, modification, revocation or suspension of any consent, license, permit, certificate, franchise, authorization, registration or filing with any Governmental Authority of any of the Partnership Entities, except in the case of clauses (c) and (d) as will be resolved by obtaining Partnership Bank Waivers under the Partnership Credit, or where such violations, breaches, defaults or Encumbrances in the aggregate would not reasonably be expected to have a Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair the Partnership's ability to perform its obligations under this Agreement.

Section 3.3 Consents and Approvals. Except for any Partnership Bank Waivers, or as could not reasonably be expected to have a Material Adverse Effect or to prevent or delay materially the consummation of the transaction contemplated by this Agreement, the Selling Parties' execution and delivery of this Agreement or the other Transaction Documents to which any of the Selling Parties is party or performance of their respective obligations hereunder or thereunder, does not and will not require the consent, approval, waiver or authorization of, or filing, registration or qualification with, any Person, by any of the Partnership Entities or ENP GP (acting on behalf of the Partnership).

Section 3.4 Partnership Capitalization, Title to Subject Common Units.

(a) As of the Execution Date, no Partnership Common Units were subject to issuance upon the vesting of outstanding phantom units. The Partnership has no limited partner interests issued and outstanding other than the Common Units reflected in the Form 10-Q quarterly report for the quarter ended September 30, 2010. All of the limited partner interests in the Partnership have been duly authorized and validly issued in accordance with the Partnership

Agreement; and are fully paid (to the extent required under the Partnership Agreement) and nonassessable (except to the extent such nonassessability may be affected by Section 17-607 of the Delaware LP Act).

(b) Except as described in the Partnership Agreement or as disclosed in the Partnership SEC Reports, there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of any interest in the Partnership (*provided* that the foregoing shall not apply to any such rights to purchase or restriction on voting or transfer that any holder of Common Units (other than the Selling Parties) may have imposed upon such Common Units). Except as described in the Partnership Agreement or in Schedule 3.4(b) or as disclosed in the Partnership SEC Reports, there are no outstanding options, warrants or similar rights to purchase or acquire from any of the Partnership Entities any equity interests in any of the Partnership Entities or any stock appreciation, phantom stock or similar rights with respect to the Partnership Entities. No Partnership Entity has any outstanding bonds, debentures, notes or other obligation the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the limited partners of the Partnership.

Section 3.5 Subsidiaries; Equity Interests; Business of ENP GP . Except as set forth on Schedule 3.5 or in the Partnership Agreement or as disclosed in the Partnership SEC Reports, (i) neither ENP GP nor the Partnership has any Subsidiaries, and does not own, directly or indirectly, any shares of capital stock, voting rights or other equity interests or investments in any other Person; and (ii) neither ENP GP nor the Partnership has any obligation or rights to acquire by any means, directly or indirectly, any capital stock, voting rights, equity interests or investments in another Person. Except for Encumbrances set forth on Schedule 3.5(a) or those that exist under the Partnership Credit Agreement, the Partnership owns, directly or indirectly, all of the issued and outstanding partnership, membership or other equity interests of each of such Subsidiaries free and clear of any Encumbrances. The Partnership and each of such Subsidiaries of the Partnership are collectively referred to herein as the " Partnership Entities."

Section 3.6 Financial Statements; Partnership SEC Reports. The Partnership has timely made all filings required to be made under the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934, as amended (the " Exchange Act") since January 1, 2010 (such documents, including exhibits and other information incorporated therein, collectively, the " Partnership SEC Reports"). Since January 1, 2010, (a) all Partnership SEC Reports filed by the Partnership, at the time filed (in the case of documents filed pursuant to the Exchange Act) or when declared effective by the Securities and Exchange Commission (the " SEC") (in the case of registration statements filed under the Securities Act) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC thereunder, (b) no such SEC Report, at the time described above, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (c) all financial statements contained or incorporated by reference in such Partnership SEC Reports complied as to form when filed in all material respects with the rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all

material respects the financial condition of the Partnership and its consolidated subsidiaries at and as of the respective dates thereof and the consolidated results of operations and changes in cash flows for the periods indicated (subject, in the case of unaudited financial statements, to normal year-end audit adjustments consistent with prior periods). The Partnership SEC Reports included all certifications required to be included therein pursuant to Section 13a-14(a) and Section 13a-14(b) of the Exchange Act and the statements made by such certifications are true and correct. No Subsidiary of the Partnership is required to file periodic reports with the SEC, either pursuant to the requirements of the Exchange Act or by contract.

Section 3.7 Controls.

(a) The "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) of the Partnership are reasonably designed to ensure that all information (both financial and non-financial) required to be disclosed by the Partnership in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to the management of ENP GP as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the chief executive officer and chief financial officer of ENP GP required under the Exchange Act with respect to such reports.

(b) Neither the Board of Directors of ENP GP, the officers of ENP GP, nor any of the Selling Parties has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, regarding the accounting or auditing practices procedures, methodologies or methods of the Partnership Entities or their respective internal accounting controls relating to periods after January 1, 2010, including any material complaint, allegation, assertion or claim that any of the Partnership Entities has engaged in questionable accounting or auditing practices, and (ii) no attorney representing the Partnership Entities, whether or not employed by the Partnership Entities, has reported evidence of a material violation of securities Laws or breach of fiduciary duty, relating to periods after January 1, 2010, by the officers, directors, employees or agents of any of the Partnership Entities to the Board of Directors of ENP GP or to any director or officer of ENP GP.

Section 3.8 Absence of Certain Changes or Events. Except as set forth on Schedule 3.8 or in the Partnership SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Partnership SEC Reports to the extent they are predictive or forward looking in nature), since December 31, 2009 (a) the business of the Partnership Entities has been conducted in the ordinary course of business consistent with past practices, (b) there has not been or occurred any event or condition that has had or could reasonably be expected to have a Material Adverse Effect, and (c) the Partnership and its Subsidiaries (taken as a whole) have not suffered any damage, destruction or other casualty loss (whether or not covered by insurance) to its properties or assets that are material to the business of the Partnership and its Subsidiaries.

Section 3.9 Compliance with Law. Except as set forth in the Partnership SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Partnership SEC Reports to the extent they are predictive or forward looking in nature and any

disclosures contained in exhibits to or other documents incorporated by reference into, such Partnership SEC Reports), and except with respect to the matters addressed in Sections 3.10, 3.12, 3.14, 3.15, 3.16 and 3.18 , which matters are addressed only in those sections, the operations of ENP GP and the Partnership Entities have been conducted, and currently are being conducted, in material compliance with all applicable Laws and other requirements of all Governmental Authorities having jurisdiction of ENP GP or the Partnership Entities and their respective assets, properties and operations.

Section 3.10 Tax Matters.

(a) For purposes of this Agreement, " Tax Returns" shall mean returns, reports, exhibits, schedules, information statements, declaration, claim for refund, and other documentation (including any additional or supporting material) filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax or provided to any Tax authority, including any amendments thereto. For purposes of this Agreement, "Tax" or "Taxes" shall mean any and all federal, state, local, foreign and other taxes, levies, fees, imposts and duties of whatever kind (including any interest, penalties or additions to the tax imposed in connection therewith or with respect thereto), including, without limitation, taxes imposed on, or measured by, income, franchise, profits or gross receipts, and also ad valorem, value added, sales, use, service, real or personal property, capital stock, license, payroll, withholding, employment, social security, workers' compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, transfer and gains taxes and customs duties.

(b) Except as disclosed on Schedule 3.10(b), (i) each of ENP GP and each of the Partnership Entities has timely filed (or joined in the filing of) all Tax Returns required by applicable Law to be filed (taking into account any extensions of time within which to file) by or with respect to each of ENP GP and each of the Partnership Entities; (ii) all such Tax Returns were true, correct and complete in all material respects and all material Taxes have been paid in full; (iii) there is no action, suit, proceeding, investigation, audit, dispute or claim concerning any Taxes of ENP GP or any of the Partnership Entities either claimed or raised by any Tax authority in writing; (iv) none of ENP GP or any of the Partnership Entities has any outstanding request for any extension of time within which to pay its Taxes or file its Tax Returns; (v) there are no outstanding waivers or extensions of any applicable statute of limitations for the assessment or collection of any Taxes of any of ENP GP or any of the Partnership Entities; (vi) neither ENP GP nor any Partnership Entity is a party to, or is bound by, any Tax allocation, Tax indemnity, Tax sharing, or similar agreement or arrangement that imposes liability on ENP GP or any Partnership Entity for the Taxes of another Person; (vii) each of the Partnership Entities that is a partnership for federal income Tax purposes has made, or shall be eligible to make, an election pursuant to Section 754 of the Code; (viii) each of the Partnership Entities has withheld and paid all Taxes required to be withheld by such Partnership Entity in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party; (ix) no material liens for Taxes exist with respect to any of the Partnership Entities' assets, except for statutory liens for Taxes not yet due and payable or that are being contested in good faith and reserved for in accordance with GAAP; and (x) neither ENP GP nor any Partnership Entity has engaged in a transaction that would be reportable by or with respect to any Partnership Entity under Treas. Reg. §1.6011-4 or any predecessor thereto.

(c) In each tax year since the formation of the Partnership up to and including the current tax year, at least 90% of the Partnership's gross income has been income which is "qualifying income" within the meaning of Section 7704(d) of the Code.

(d) Except as disclosed on Schedule 3.10(d), none of the Partnership Entities has elected to be treated as a corporation.

(e) ENP GP is qualified as a disregarded entity under Treasury Regulation Section 301.7701-2 and -3.

Section 3.11 Absence Of Undisclosed Liabilities. Except as disclosed on Schedule 3.11 or in the Partnership SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Partnership SEC Reports to the extent they are predictive or forward looking in nature), none of the Partnership Entities has any indebtedness or liability, absolute or contingent, which is not shown or provided for in the consolidated financial statements of the Partnership included in the Partnership SEC Reports, other than (a) liabilities incurred or accrued in the ordinary course of business consistent with past practice, including liens for current taxes and assessments not in default, since December 31, 2009, or (b) other liabilities of the Partnership or any of its Subsidiaries that individually or in the aggregate are not material to the Partnership and its Subsidiaries, taken as a whole, and that are not required by GAAP to be included in the consolidated financial statements of the Partnership.

Section 3.12 Regulatory Matters.

(a) None of the Partnership Entities is a "public utility company," "holding company" or "subsidiary" or "affiliate" of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(b) None of the Partnership Entities is an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 3.13 Books And Records; Other Information.

(a) The minute books and other similar records of the Partnership Entities and of ENP GP contain true and correct copies of all actions taken at all meetings of the Partnership's limited partners, ENP GP's equityholders, the Board of Directors of ENP GP or any committee thereof and all written consents executed in lieu of any such meetings. Complete copies of all such minute books and other similar records have been made available to Buyer.

(b) The Partnership Entities and ENP GP (i) make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets and (ii) maintain systems of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets

is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Section 3.14 Employees; Employee Plans.

(a) None of the Partnership Entities currently has any employees and, except as set forth on Schedule 3.14(a), none of the Partnership Entities has ever had any employees.

(b) Except as disclosed on Schedule 3.14(b), the Partnership Entities and their ERISA Affiliates do not sponsor, maintain or contribute to or have an obligation (secondary, contingent or otherwise) to contribute to and, at no time during the past five (5) years, have sponsored, maintained or contributed to or had an obligation to contribute to, any Employee Plans (collectively, the "Partnership Plans").

(c) ENP GP currently has no employees and, except as set forth on Schedule 3.14(c), ENP GP has never had any employees.

(d) Except as disclosed on Schedule 3.14(d), ENP GP does not have any Plan Liability with respect to any Employee Plans sponsored, maintained, contributed to, or required to be sponsored, maintained, or contributed to by its ERISA Affiliates. ENP GP does not sponsor, maintain or contribute to or have an obligation (secondary, contingent or otherwise) to contribute to and, at no time during the past five (5) years, has sponsored, maintained or contributed to or had an obligation to contribute to, any Employee Plans (collectively, the "ENP GP Plans" and together with the Partnership Plans, the "Plans").

(e) With respect to any Plan, no actions, suits or claims (other than routine claims for benefits in the ordinary course) are pending or, to the Knowledge of the Selling Parties, threatened that could result in any material liability to Buyer, ENP GP or any Partnership Entity.

(f) Neither the negotiation or execution of this Agreement, nor the consummation of the transactions contemplated by this Agreement will, either alone or in combination with another event, result in any Plan Liability or other liability to the Subject Employees for compensation or benefits, including severance and change in control benefits, that will be a liability of the Partnership Entities, ENP GP or the Buyer at or following the Closing.

Section 3.15 Properties, Oil and Gas Matters.

(a) For purposes of this Agreement, "Partnership Oil and Gas Agreements" means the following types of agreements or contracts to which the Partnership or any of the Partnership Entities is a party, whether as an original party, by succession or assignment or otherwise with respect to the Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report: oil and gas leases, farm-in and farm-out agreements, agreements providing for an overriding royalty interest, agreements providing for a royalty interest, agreements providing for a net profits interest, crude oil or natural gas sales or purchase contracts, joint operating agreements, unit operating agreements, unit agreements, field equipment leases, and agreements restricting any of the Partnership Entities' ability to operate, obtain, explore for or develop interests in a particular geographic area. Set forth in

Schedule 3.15 is a list of all Partnership Oil and Gas Agreements that contain any material restriction on any of the Partnership Entities' ability to operate, obtain, explore for or develop interests in a particular geographic area. Complete copies of all such Partnership Oil and Gas Agreements have been made available to Buyer.

(b) The Partnership has furnished an internal reserve report containing estimates of the oil and gas reserves that are owned by the Partnership Entities as of June 30, 2010, prepared by the Partnership (the "Partnership Reserve Report"). The factual, non-interpretive data relating to the Oil and Gas Properties of the Partnership Entities on which the Partnership Reserve Report were based for purposes of estimating the oil and gas reserves set forth therein was accurate in all material respects at the time such data was provided to the reserve engineers. With respect to the proved reserves reflected in the Partnership Reserve Report, the Partnership Reserve Report conforms in all material respects to the guidelines with respect thereto of the SEC. Except for changes (including changes in Hydrocarbon commodity prices) generally affecting the oil and gas industry and normal depletion by production, there has been no material change in respect of the matters addressed in the Partnership Reserve Report.

(c) All material items of operating equipment, pipelines and facilities owned or leased by any of the Partnership Entities and used or necessary for use in the operation of the Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report are in a state of repair so as to be adequate for reasonably prudent operations in the areas in which they are operated.

(d) Except for goods and other property sold, used or otherwise disposed of since the date of the Partnership Reserve Report in the ordinary course of business or reflected as having been sold, used or otherwise disposed of in the Partnership SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Partnership SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Partnership SEC Reports), as of the date hereof, the Partnership Entities own or have valid leases or contractual rights to, all material equipment and other personal property used or necessary for use in the operation of their respective Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report in the manner in which such properties were operated as of the date hereof.

(e) Except for property sold or otherwise disposed of since the dates of the respective Partnership Reserve Report in the ordinary course of business or reflected as having been sold or otherwise disposed of in the Partnership SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Partnership SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Partnership SEC Reports), the Partnership Entities have good and defensible title to all Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report, in each case relating to the interests referred to therein as of the date of each such report, and in each case as attributable to interests owned by the Partnership Entities, free and clear of any Encumbrances, except:
(i) Encumbrances reflected in the Partnership SEC Reports filed prior to the date of this Agreement, (ii) Permitted Encumbrances, and (iii) such imperfections of title, easements, liens,

government or tribal approvals or other matters and failures of title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) All material proceeds from the sale of Hydrocarbons produced from the Oil and Gas Properties of the Partnership Entities are being received by them in a timely manner and are not being held in suspense for any reason.

(g) The Partnership Oil and Gas Agreements affecting any real or personal property given material value in the Partnership Reserve Report, including the Oil and Gas Properties, are in good standing, valid and effective, and all material rentals due by any of the Partnership Entities to any lessor of any oil and gas leases forming the basis for the reserves reflected in the Partnership Reserve Report have been properly paid. The Partnership Entities have paid all material royalties, overriding royalties and other burdens on production due by the Partnership Entities with respect to their respective Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report.

(h) All Oil and Gas Properties operated by any of the Partnership Entities have been operated in all material respects in accordance with reasonable, prudent oil and gas field practices and in material compliance with the applicable oil and gas leases and applicable law.

(i) Except as set forth in Schedule 3.15(i), none of the material Oil and Gas Properties of the Partnership or the other Partnership Entities forming the basis for the reserves reflected in the Partnership Reserve Report is subject to any preferential purchase, consent or similar right that would become operative as a result of the transactions contemplated by this Agreement.

(j) Except as set forth in Schedule 3.15(j), none of the Oil and Gas Properties of the Partnership Entities forming the basis for the reserves reflected in the Partnership Reserve Report are subject to any tax partnership agreement or provisions requiring a partnership income tax return to be filed under Subchapter K of Chapter 1 of Subtitle A of the Code.

(k) None of the Partnership Entities has received any material advance, take-or-pay or other similar payments that entitle purchasers of production from the Oil and Gas Properties forming the basis for the reserves reflected in the Partnership Reserve Report to receive deliveries of Hydrocarbons without paying therefor, and, on a net basis, across the Partnership Entities, the Partnership Entities, taken as a whole, are neither underproduced nor overproduced, in either case, to any material extent, under gas balancing or similar arrangements, except as set forth in Schedule 3.15(k).

(l) Each of the Partnership Entities (i) has such consents, rights-of-way, or licenses from any Person (collectively, " Rights-of-Way") as are necessary to use, own and operate each Partnership Entity's material Oil and Gas Properties in the manner such assets are currently used, owned and operated by each Partnership Entity in all material respects and (ii) has fulfilled and performed, in all material respects, all of its obligations with respect to such Rights-of-Way. To the Knowledge of the Seller Parties, no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow revocation or termination

thereof or would result in any material impairment of the rights of the holder of any such Right-of-Way.

Section 3.16 Environmental Matters. Except as set forth in Schedule 3.16:

(a) Each of the Partnership Entities and their respective properties is, and during the relevant time periods specified in all applicable statutes of limitations, has been, in material compliance with all applicable Environmental Laws.

(b) Each of the Partnership Entities has obtained all material permits, licenses, franchise authorities, consents and approvals, made all material filings and maintained all material data, documentation and records necessary for owning and operating its assets and business as it is presently conducted under all applicable Environmental Laws, and all such permits, licenses, franchises, authorities, consents, approvals and filings remain in full force and effect, and are issued in the correct entity's name, and there are no circumstances existing that could reasonably be expected to result in such permits, licenses, franchises, authorities, consents, approvals and filings being revoked or not renewed or in pending applications for such permits, licenses, franchises, authorities, consents, approvals and filings being denied.

(c) There are no pending or threatened material claims, demands, actions, administrative proceedings, lawsuits or investigations against any of the Partnership Entities or affecting any of their respective properties under any Environmental Laws.

(d) There has been no Release of any Hazardous Material into the environment by the Partnership Entities or onto or beneath any of their respective properties or assets that could reasonably be expected to result in any material remedial or corrective action obligation on the part of the Partnership Entities under Environmental Laws.

(e) There has been no exposure of any person or property to any Hazardous Material from, by, or in connection with the Partnership Entities' properties or operations that could reasonably be expected to form the basis of a claim for material damages or compensation.

(f) The Selling Parties have made available to Buyer all internal and external environmental assessments, reports, audits ,and studies and all correspondence on environmental matters relating to the Partnership Entities' properties, assets, and operations that are reasonably expected to have a material impact that are known to them to be in the possession, custody, or control of or otherwise reasonably available to the Selling Parties.

(g) Notwithstanding anything to the contrary contained elsewhere in this Agreement, no statement or representation is made in this Agreement regarding any compliance or failure to comply with, or any actual or contingent liability under, or claims, demands, actions, proceedings, lawsuits or investigations with respect to any Environmental Law, except as set forth in this Section 3.16.

Section 3.17 Derivative Transactions and Hedging. Schedule 3.17 contains a complete and correct list as of the Execution Date of all outstanding commodity or financial hedging positions of any of the Partnership Entities pursuant to which any such party has outstanding

rights or obligations (collectively, "Derivative Transactions"). All such Derivative Transactions were, and any Derivative Transactions entered into after the date of this Agreement will be, in all material respects entered into in accordance with applicable laws, and in accordance with the investment, securities, commodities, risk management and other policies, practices and procedures employed by the Partnership, and were, and will be, in all material respects entered into with counterparties believed at the time and currently to be financially responsible. Each of the Partnership Entities has, and will have, duly performed, in all material respects, all of its respective obligations under the Derivative Transactions to the extent that such obligations to perform have accrued, and there are and will be no breaches, violations, collateral deficiencies, requests for collateral or demands for payment, or defaults or allegations or assertions thereof by any party thereunder.

Section 3.18 Material Contracts.

(a) As of the date of this Agreement, except for (i) contracts filed as an exhibit to or incorporated by reference in a Partnership SEC Report filed prior to the Execution Date, (ii) contracts related to properties or operations that have been, or are under contract to be, purchased or sold or otherwise disposed of or are in the process of being purchased or sold or otherwise disposed of to the extent such sales and/or dispositions have been disclosed in Partnership SEC Reports, or (iii) as otherwise set forth on Schedule 3.18(a), none of the Partnership Entities is a party to or bound by any contract (whether written or oral) that is:

(i) a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(ii) a loan, guarantee of indebtedness or credit agreement, note, bond, mortgage, indenture or other binding commitment (other than those solely between or among any of the Partnership Entities) relating to indebtedness in an amount in excess of $1.0 million individually, other than the Partnership Credit Agreement;

(iii) a contract, lease (other than oil and gas leases) or license (including any seismic licensing agreement) (x) pursuant to which any of the Partnership Entities paid or received amounts in excess of $1.0 million individually within the 12 month period prior to the date of this Agreement or are reasonably expected to pay or receive amounts in excess of $1 million within the 12 month period following the date of this Agreement (if such agreement cannot be terminated on 90 days or less notice without payment by any of the Partnership Entities of any material penalty) or (y) that is material to the Partnership Entities taken as a whole;

(iv) a contract that purports to limit materially the right of any of the Partnership Entities to engage or compete in any line of business in which any of the Partnership Entities is engaged or to compete with any person or operate in any location;

(v) a contract that creates a partnership or joint venture or similar arrangement (other than a joint operating agreement entered into in the ordinary course of business) with respect to any significant portion of the business of the Partnership Entities taken as a whole;

(vi) a settlement or similar agreement with any Governmental Authority or order or consent of a Governmental Authority involving future performance by any of the Partnership Entities that is material to the Partnership Entities taken as a whole;

(vii) a contract which includes any of the Selling Parties or any Affiliate of any Selling Parties (other than ENP GP and the Partnership Parties) as a counterparty or third party beneficiary, other than the Administrative Services Agreement**;** or

(viii) an executory contract which includes the acquisition or sale of assets with a book value in excess of $50 million (whether by merger, sale of stock, sale of assets or otherwise).

All contracts of the type described in this Section 3.18(a) together with the contracts for the sale of Hydrocarbons produced from any of the Partnership Entities' Oil and Gas Properties described in the Partnership Reserve Report that are not terminable on 90 days or less notice without payment by any of the Partnership Entities of any material penalty and are set forth on Schedule 3.18(a), are referred to herein as the "Partnership Material Contracts."

(b) Other than as a result of the expiration or termination of any Partnership Material Contract in accordance with its terms and except as would not have either individually or in the aggregate a Material Adverse Effect, (i) each Partnership Material Contract is valid and binding on each of the Partnership Entities that is a party thereto, as applicable, and is in full force and effect and enforceable in accordance with its terms against such Partnership Entity and, to the Knowledge of the Selling Parties, is valid and binding on the other party or parties thereto, and in full force and effect and enforceable against such other parties thereto, (ii) each of the Partnership Entities has performed all material obligations required to be performed by it to date under each Partnership Material Contract, and (iii) none of the Partnership Entities has knowledge of, or has received notice of, the existence of any event or condition which constitutes, or, after notice or lapse of time or both, would constitute, a material default on the part of any of the Partnership Entities or of any other party under any such Partnership Material Contract.

Section 3.19 Litigation. Except as set forth on Schedule 3.19, there are no Legal Proceedings pending or, to the Knowledge of the Selling Parties, threatened, against or involving the Partnership Entities or ENP GP that, individually or in the aggregate, have or are reasonably likely to have a Material Adverse Effect. Except as set forth on Schedule 3.19, there is no order, judgment, injunction or decree of any Governmental Authority outstanding against any of the Partnership Entities or ENP GP that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or to prevent or delay the consummation of the transactions contemplated by this Agreement or to impair such Selling Party's ability to perform its obligations under this Agreement.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof, and also as of the Closing Date (except to the extent that any representation is specifically limited by the terms of such representation to the date of this

Agreement or another specified date), Buyer hereby represents and warrants to each of the Selling Parties as follows:

Section 4.1 Organization. Buyer is (i) a limited liability company duly formed, validly existing and in good standing under the Laws of Kentucky, (ii) has all requisite legal and entity power and authority to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iii) has all material governmental licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iv) is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except with respect to (iii) and (iv) for circumstances which, individually or in the aggregate, could not reasonably be expected to have a material adverse effect on Buyer or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair Buyer's ability to perform its obligations under this Agreement. Buyer has made available to the Selling Parties true and complete copies of the Organizational Documents of Buyer, as in effect on the Execution Date.

Section 4.2 Validity Of Agreement; Authorization. Buyer has (with respect to this Agreement and the Escrow Agreement), or on the Closing Date and at the time of Closing will have (with respect to all other Transaction Documents to which it will be a party), the power and authority to enter into this Agreement and the other Transaction Documents to which it is or will be a party and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and such other Transaction Documents and the performance of Buyer's obligations hereunder and thereunder have been duly authorized by the Board of Directors of Buyer, and no other proceedings on the part of Buyer are necessary to authorize such execution, delivery and performance. This Agreement and the other Transaction Documents to which Buyer is a party have been (in the case of this Agreement and the Escrow Agreement), or will be at the Closing (in the case of such other Transaction Documents), duly executed and delivered by Buyer and constitute (in the case of this Agreement and the Escrow Agreement), or will constitute (in the case of such other Transaction Documents) at the Closing, as applicable, Buyer's valid and binding obligation enforceable against Buyer in accordance with its terms.

Section 4.3 No Conflict Or Violation. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Buyer is or will be a party does not and will not: (a) violate or conflict with any provision of its Organizational Documents; (b) violate any applicable provision of Law; (c) violate, result in a breach of, constitute (with due notice or lapse of time or both) a default or cause any obligation, penalty or premium to arise or accrue under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which Buyer is a party or by which Buyer is bound or to which any of its properties or assets is subject; (d) result in the creation or imposition of any Encumbrance upon any of its properties or assets, or (e) result in the cancellation, modification, revocation or suspension of any consent, license, permit, certificate, franchise, authorization, registration or filing with any Governmental Authority of Buyer except where such violations, breaches, defaults or Encumbrances in the aggregate would not have a material adverse effect on the transactions contemplated hereby.

Section 4.4 Consents And Approvals. No consent, approval, waiver or authorization of, or filing, registration or qualification with, any Governmental Authority or any other Person (on the part of Buyer) is required for Buyer to execute and deliver this Agreement or the Transaction Documents to which Buyer is a party or to perform its respective obligations hereunder or thereunder.

Section 4.5 Brokers. No broker, investment banker, financial advisor or other Person, other than RBC Capital Markets Corporation (the fees and expenses of which will be paid by Buyer), is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby based upon arrangements made by or on behalf of Buyer.

Section 4.6 Buyer Status. Buyer is not an employee benefit plan or other organization exempt from taxation pursuant to Section 501(a) of the Code, a non-resident alien, a foreign corporation or other foreign Person, or a regulated investment company within the meaning of Section 851 of the Code. Neither Buyer nor any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Buyer, within the meaning of the HSR Act and the rules promulgated thereunder, owns any Common Units or other equity interests in the Partnership. Buyer (including to the best of the Knowledge of the Buyer any Person for whom Buyer will hold the Subject Common Units) is an Eligible Holder (as that term is defined in the Partnership Agreement).

Section 4.7 Investment Intent; Investment Experience; Restricted Securities. In acquiring the Member Interests and the Subject Common Units, Buyer is not offering or selling, and shall not offer or sell the Member Interests or the Subject Common Units, in connection with any distribution of any of such Member Interests or Subject Common Units, and Buyer has no participation and shall not participate in any such undertaking or in any underwriting of such an undertaking except in compliance with applicable federal and state securities Laws. Buyer acknowledges that it can bear the economic risk of its investment in the Member Interests and the Subject Common Units, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Member Interests and the Subject Common Units. Buyer is an "accredited investor" as such term is defined in Regulation D under the Securities Act. Buyer understands that the Member Interests and the Subject Common Units will not have been registered pursuant to the Securities Act or any applicable state securities Laws, that the Member Interests and the Subject Common Units shall be characterized as "restricted securities" under federal securities Laws and that under such Laws and applicable regulations the Member Interests and the Subject Common Units cannot be sold or otherwise disposed of without registration under the Securities Act or an exemption therefrom.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF VANGUARD

As of the Execution Date, and also as of the Closing Date (except to the extent that any representation is specifically limited by the terms of such representation to the date of this

Agreement or another specified date), Vanguard hereby represents and warrants to each of the Selling Parties as follows:

Section 5.1 Organization

(a) Vanguard beneficially owns all of the issued and outstanding limited liability company interests in each of Buyer and VNR Holdings, LLC, a Delaware limited liability company ("VNR Holdings"), and all of the issued and outstanding common stock, par value $0.01, of VNR Finance Corp., a Delaware corporation ("VNR Finance"). VNG beneficially owns all of the issued and outstanding limited liability company interests in each of Ariana Energy, LLC, a Tennessee limited liability company ("AE"), Trust Energy Company, LLC, a Kentucky limited liability company ("TEC"), and Vanguard Permian, LLC, a Delaware limited liability company ("Permian").

(b) Each of Vanguard, Buyer, TEC, Permian, VNR Holdings, VNR Finance and AE (collectively, the "Vanguard Entities") (i) is a corporation or limited liability company, as the case may be, duly incorporated or formed, as the case may be, validly existing and in good standing under the Laws of Delaware, Tennessee or Kentucky, as the case may be, (ii) has all requisite legal and corporate or other entity power and authority, as the case may be, to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, (iii) has all material governmental licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and to conduct its businesses as currently owned and conducted, and (iv) is duly qualified to do business and in good standing in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties requires it to so qualify, except with respect to clause (iv) for circumstances which, individually or in the aggregate, could not reasonably be expected to have a Vanguard Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair Vanguard's ability to perform its obligations under this Agreement.

Section 5.2 Capitalization; Issuance of Vanguard Common Units

(a) As of the Execution Date, except as provided on Schedule 5.2(a), no Vanguard Common Units were subject to issuance upon the vesting of outstanding phantom units. Except as provided on Schedule 5.2(a), Vanguard has no limited partner interests issued and outstanding other than the Vanguard Common Units reflected in the Form 10-Q quarterly report for the quarter ended September 30, 2010. All of the limited liability company interests in Vanguard have been duly authorized and validly issued in accordance with the Vanguard LLC Agreement; and are fully paid (to the extent required under the VNR LLC Agreement) and nonassessable (except to the extent such nonassessability may be affected by Sections 18-607 and 18-804 of the Delaware LLC Act).

(b) Except as described in the VNR LLC Agreement or as disclosed in filings required to be made by Vanguard under the Securities Act and the Securities Exchange Act since January 1, 2010 (such documents, including exhibits and other information incorporated therein, collectively, the " Vanguard SEC Reports"), there are no preemptive or other rights to subscribe for or to purchase, nor any restriction upon the voting or transfer of any interest in

Vanguard (*provided* that the foregoing shall not apply to any such rights to purchase or restriction on voting or transfer that any holder of Vanguard Common Units may have imposed upon such Vanguard Common Units). Except as described in the Vanguard LLC Agreement or as disclosed in the Vanguard SEC Reports, there are no outstanding options, warrants or similar rights to purchase or acquire from any of the Vanguard Entities any equity interests in any of the Vanguard Entities or any stock appreciation, phantom stock or similar rights with respect to the Vanguard Entities. No Vanguard Entity has any outstanding bonds, debentures, notes or other obligation the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the limited liability company members of Vanguard.

(c) The Vanguard Common Units comprising the Equity Portion of the Purchase Price, if any, which may be issued and delivered by Vanguard to the Selling Parties pursuant to this Agreement have been duly authorized in accordance with the Vanguard LLC Agreement and, if issued and delivered to and paid for by the Selling Parties in accordance with this Agreement and the Vanguard LLC Agreement, will be validly issued in accordance with the Vanguard LLC Agreement, fully paid (to the extent required in the Vanguard LLC Agreement) and nonassessable (except as such nonassessability may be affected by Sections 18-607 and 18-804 of the Delaware LLC Act).

Section 5.3 Validity of Agreement; Authorization. Vanguard has (with respect to this Agreement), or on the Closing Date and at the time of Closing will have (with respect to all other Transaction Documents to which it will be a party), the power and authority to enter into this Agreement and the other Transaction Documents to which it is or will be a party and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and such other Transaction Documents and the performance of Vanguard's obligations hereunder and thereunder have been duly authorized by the Board of Directors of Vanguard, and no other proceedings on the part of Vanguard are necessary to authorize such execution, delivery and performance. This Agreement and the other Transaction Documents to which Vanguard is a party have been (in the case of this Agreement), or will be at the Closing (in the case of such other Transaction Documents), duly executed and delivered by Vanguard and constitute (in the case of this Agreement), or will constitute (in the case of such other Transaction Documents) at the Closing, as applicable, Vanguard's valid and binding obligation enforceable against Vanguard in accordance with its terms.

Section 5.4 No Conflict or Violation. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Vanguard is or will be a party does not and will not: (a) violate or conflict with any provision of the Vanguard LLC Agreement; (b) violate any applicable provision of Law; (c) except as set forth on Schedule 5.4, violate, result in a breach of, constitute (with due notice or lapse of time or both) a default or cause any obligation, penalty or premium to arise or accrue under any contract, lease, loan agreement, mortgage, security agreement, trust indenture or other agreement or instrument to which any of the Vanguard Parties is a party or by which any of them is bound or to which any of their properties or assets is subject; (d) result in the creation or imposition of any Encumbrance upon any of its properties or assets, or (e) result in the cancellation, modification, revocation or suspension of any consent, license, permit, certificate, franchise, authorization, registration or filing with any Governmental Authority of any Vanguard Entity, except in the cause of clauses (c) and (d), where such violations, breaches, defaults or Encumbrances in the aggregate would

not reasonably be expected to have a Vanguard Material Adverse Effect or to prevent or materially delay the consummation of the transactions contemplated by this Agreement or to impair Vanguard's ability to perform its obligations under this Agreement.

Section 5.5 Consents and Approvals. Except as could not reasonably be expected to have a Vanguard Material Adverse Effect or to prevent or delay materially the consummation of the transaction contemplated by this Agreement or to impair Vanguard's ability to perform its obligations under this Agreement, no consent, approval, waiver or authorization of, or filing, Vanguard's execution and delivery of this Agreement or the other Transaction Documents to which Vanguard is party or performance of its respective obligations hereunder or thereunder, does not and will not require the consent, approval, waiver or authorization of, or filing, registration or qualification with, any Person, by Vanguard.

Section 5.6 Financial Statements; Vanguard SEC Reports. Vanguard has timely filed all Vanguard SEC Reports. Since January 1, 2010, (a) all Vanguard SEC Reports filed by Vanguard, at the time filed (in the case of documents filed pursuant to the Exchange Act) or when declared effective by the SEC (in the case of registration statements filed under the Securities Act) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations of the SEC thereunder, (b) no such Vanguard SEC Report, at the time described above, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and (c) all financial statements contained or incorporated by reference in such Vanguard SEC Reports complied as to form when filed in all material respects with the rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the financial condition of Vanguard and its consolidated subsidiaries at and as of the respective dates thereof and the consolidated results of operations and changes in cash flows for the periods indicated (subject, in the case of unaudited financial statements, to normal year-end audit adjustments consistent with prior periods). The Vanguard SEC Reports included all certifications required to be included therein pursuant to Section 13a-14(a) and Section 13a-14(b) of the Exchange Act and the statements made by such certifications are true and correct. No Subsidiary of Vanguard is required to file periodic reports with the SEC, either pursuant to the requirements of the Exchange Act or by contract.

Section 5.7 Controls.

(a) The "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) of Vanguard are reasonably designed to ensure that all information (both financial and non-financial) required to be disclosed by the Partnership in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to the management of Vanguard as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the chief executive officer and chief financial officer of Vanguard required under the Exchange Act with respect to such reports.

(b) Neither the Board of Directors of Vanguard or the officers of Vanguard has received or otherwise had or obtained knowledge of any material complaint, allegation, assertion or claim, regarding the accounting or auditing practices procedures, methodologies or methods of the Partnership Entities or their respective internal accounting controls relating to periods after January 1, 2010, including any material complaint, allegation, assertion or claim that any of the Vanguard Entities has engaged in questionable accounting or auditing practices, and (ii) no attorney representing the Vanguard Entities, whether or not employed by the Vanguard Entities, has reported evidence of a material violation of securities Laws or breach of fiduciary duty, relating to periods after January 1, 2010, by the officers, directors, employees or agents of any of the Vanguard Entities to the Board of Directors of Vanguard or to any director or officer of Vanguard.

Section 5.8 Absence of Certain Changes or Events. Except as disclosed in the Vanguard SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Vanguard SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Vanguard SEC Reports), since December 31, 2009 (a) the business of the Vanguard Entities has been conducted in the ordinary course of business consistent with past practices, (b) there has not been or occurred any event or condition that has had or could reasonably be expected to have a Vanguard Material Adverse Effect, and (c) the Vanguard Entities (taken as a whole) have not suffered any damage, destruction or other casualty loss (whether or not covered by insurance) to its properties or assets that are material to the business of the Vanguard Entities.

Section 5.9 Compliance with Law. Except as disclosed in the Vanguard SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Vanguard SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Vanguard SEC Reports), and except with respect to the matters addressed in Sections 5.10, 5.12, 5.13 and 5.14, which matters are addressed only in those sections, the operations of the Vanguard Entities have been conducted, and currently are being conducted, in material compliance with all applicable Laws and other requirements of all Governmental Authorities having jurisdiction of the Vanguard Entities and their respective assets, properties and operations.

Section 5.10 Tax Matters.

(a) Each of the Vanguard Entities has timely filed (or joined in the filing of) all Tax Returns required by applicable Law to be filed (taking into account any extensions of time within which to file) by or with respect to each of the Vanguard Entities; (i) all such Tax Returns were true, correct and complete in all material respects and all material Taxes have been paid in full; (ii) there is no action, suit, proceeding, investigation, audit, dispute or claim concerning any Taxes of any of the Vanguard Entities either claimed or raised by any Tax authority in writing; (iii) none of the Vanguard Entities has any outstanding request for any extension of time within which to pay its Taxes or file its Tax Returns; (iv) there are no outstanding waivers or extensions of any applicable statute of limitations for the assessment or collection of any Taxes of any of the Vanguard Entities; (v) none of the Vanguard Entities is a party to, or is bound by, any Tax allocation, Tax indemnity, Tax sharing, or similar agreement or arrangement that imposes

liability on any Vanguard Entity for the Taxes of another Person; (vi) each of the Vanguard Entities that is a partnership for federal income Tax purposes has made, or shall be eligible to make, an election pursuant to Section 754 of the Code; (vii) each of the Vanguard Entities has withheld and paid all Taxes required to be withheld by such Vanguard Entity in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party; (viii) no material liens for Taxes exist with respect to any of the Vanguard Entities' assets, except for statutory liens for Taxes not yet due and payable or that are being contested in good faith and reserved for in accordance with GAAP; and no Vanguard Entity has engaged in a transaction that would be reportable by or with respect to any Partnership Entity under Treas. Reg. §1.6011-4 or any predecessor thereto.

(b) In each tax year since the formation of Vanguard up to and including the current tax year, at least 90% of Vanguard's gross income has been income which is "qualifying income" within the meaning of Section 7704(d) of the Code.

(c) Except as disclosed on Schedule 5.10(c), none of the Vanguard Entities has elected to be treated as a corporation.

Section 5.11 Absence of Undisclosed Liabilities. Except as disclosed in the Vanguard SEC Reports excluding any disclosures included in any "risk factor" section, any other disclosures in such Vanguard SEC Reports to the extent they are predictive or forward looking in nature, none of the Vanguard Entities has any indebtedness or liability, absolute or contingent, which is not shown or provided for in the consolidated financial statements of Vanguard included in the Vanguard SEC Reports, other than (a) liabilities incurred or accrued in the ordinary course of business consistent with past practice, including liens for current taxes and assessments not in default, since December 31, 2009, or (b) other liabilities of any of the Vanguard Entities that individually or in the aggregate are not material to Vanguard, taken as a whole, and that are not required by GAAP to be included in the consolidated financial statements of Vanguard.

Section 5.12 Regulatory Matters.

(a) None of the Vanguard Entities is a "public utility company," "holding company" or "subsidiary" or "affiliate" of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(b) None of the Vanguard Entities is an "investment company" or a company "controlled by" an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 5.13 Properties, Oil and Gas Matters.

(a) Except as described in the Vanguard SEC Reports, the oil and natural gas reserve estimates of the Vanguard Parties contained in or incorporated by reference into the Vanguard SEC Reports (the "Vanguard Reserve Reports") have been prepared by Netherland, Sewell & Associates, Inc. (" NSAI") and DeGolyer and MacNaughton ("D&M"), each an independent petroleum engineer with respect to the Vanguard Parties, in accordance with the SEC guidelines applied on a consistent basis throughout the periods involved, and none of the Vanguard Parties

has any reason to believe that such reserve estimates do not fairly reflect the oil and natural gas reserves of Vanguard and its Subsidiaries as of the dates indicated in the Vanguard SEC Reports.

(b) Except for changes (including Hydrocarbon commodity prices) generally affecting the oil and gas industry, normal depletion by production and changes due to acquisitions made by Vanguard or its Subsidiaries since the date of the Vanguard Reserves Reports, there has been no material change in respect of the matters addressed in the Vanguard Reserve Reports.

(c) All material items of operating equipment, pipelines and facilities owned or leased by any of the Vanguard Entities and used or necessary for use in the operation of the Oil and Gas Properties forming the basis for the reserves reflected in the Vanguard Reserve Report are in a state of repair so as to be adequate for reasonably prudent operations in the areas in which they are operated.

(d) Except for goods and other property sold, used or otherwise disposed of since the date of the Vanguard Reserve Reports in the ordinary course of business or reflected as having been sold, used or otherwise disposed of in the Vanguard SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Vanguard SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Vanguard SEC Reports), as of the date hereof, Vanguard Entities own or have valid leases or contractual rights to, all material equipment and other personal property used or necessary for use in the operation of their respective Oil and Gas Properties forming the basis for the reserves reflected in the Vanguard Reserve Reports in the manner in which such properties were operated as of the date hereof.

(e) Except for property sold or otherwise disposed of since the dates of the respective Vanguard Reserve Reports in the ordinary course of business or reflected as having been sold or otherwise disposed of in the Vanguard SEC Reports (excluding any disclosures included in any "risk factor" section, any other disclosures in such Vanguard SEC Reports to the extent they are predictive or forward looking in nature and any disclosures contained in exhibits to or other documents incorporated by reference into, such Vanguard SEC Reports), the Vanguard Entities have good and defensible title to all Oil and Gas Properties forming the basis for the reserves reflected in the Vanguard Reserve Reports, in each case relating to the interests referred to therein as of the date of each such report, and in each case as attributable to interests owned by the Vanguard Entities, free and clear of any Encumbrances, except: (i) Encumbrances reflected in the Vanguard SEC Reports filed prior to the date of this Agreement, (ii) Permitted Encumbrances, and (iii) such imperfections of title, easements, liens, government or tribal approvals or other matters and failures of title as could not, individually or in the aggregate, reasonably be expected to have a Vanguard Material Adverse Effect.

(f) All material proceeds from the sale of Hydrocarbons produced from the Oil and Gas Properties of the Partnership Entities are being received by them in a timely manner and are not being held in suspense for any reason.

(g) The Oil and Gas Agreements affecting any real or personal property given material value in the Vanguard Reserve Reports, including the Oil and Gas Properties, are in good standing, valid and effective, and to the Knowledge of the Buyer, all material rentals due by any of the Vanguard Entities to any lessor of any oil and gas leases forming the basis for the reserves reflected in the Vanguard Reserve Reports have been properly paid. The Vanguard Entities have paid all material royalties, overriding royalties and other burdens on production due by the Vanguard Entities with respect to their respective Oil and Gas Properties forming the basis for the reserves reflected in the Vanguard Reserve Reports.

(h) To the Knowledge of the Buyer, all Oil and Gas Properties operated by any of the Vanguard Entities have been operated in all material respects in accordance with reasonable, prudent oil and gas field practices and in material compliance with the applicable oil and gas leases and applicable law.

(i) None of the Vanguard Entities has received any material advance, take or pay or other similar payments that entitle purchasers of production from the Oil and Gas Properties forming the basis for the reserves reflected in the Vanguard Reserve Reports to receive deliveries of Hydrocarbons without paying therefor, and, on a net basis, across the Vanguard Entities, the Vanguard Entities, takes as a whole, are neither underproduced nor overproduced, in either case, to any material extent, under gas balancing or similar arrangements, except as set forth in Schedule 5.13(i).

(j) Each of the Vanguard Entities (i) has such Rights-of-Way as are necessary to use, own and operate each Vanguard Entity's material Oil and Gas Properties in the manner such assets are currently used, owned and operated by each Partnership Entity in all material respects and (ii) has fulfilled and performed, in all material respects, all of its obligations with respect to such Rights-of-Way. To the Knowledge of the Buyer, no event has occurred that allows, or after the giving of notice or the passage of time, or both, would allow revocation or termination thereof or would result in any material impairment of the rights of the holder of any such Right-of-Way.

Section 5.14 Environmental Matters.

(a) Each of the Vanguard Entities and their respective properties is, and during the relevant time periods specified in all applicable statutes of limitations, has been, in material compliance with all applicable Environmental Laws.

(b) Each of the Vanguard Entities has obtained all material permits, licenses, franchise authorities, consents and approvals, made all material filings and maintained all material data, documentation and records necessary for owning and operating its assets and business as it is presently conducted under all applicable Environmental Laws, and all such permits, licenses, franchises, authorities, consents, approvals and filings remain in full force and effect, and are issued in the correct entity's name, and there are no circumstances existing that could reasonably be expected to result in such permits, licenses, franchises, authorities, consents, approvals and filings being revoked or not renewed or in pending applications for such permits, licenses, franchises, authorities, consents, approvals and filings being denied.

(c) There are no pending or threatened material claims, demands, actions, administrative proceedings, lawsuits or investigations against any of the Vanguard Entities or affecting any of their respective properties under any Environmental Laws.

(d) There has been no Release of any Hazardous Material into the environment by the Vanguard Entities or onto or beneath any of their respective properties or assets that could reasonably be expected to result in any material remedial or corrective action obligation on the part of the Vanguard Entities under Environmental Laws.

(e) There has been no exposure of any person or property to any Hazardous Material from, by, or in connection with the Vanguard Entities' properties or operations that could reasonably be expected to form the basis of a claim for material damages or compensation.

(f) Notwithstanding anything to the contrary contained elsewhere in this Agreement, no statement or representation is made in this Agreement regarding any compliance or failure to comply with, or any actual or contingent liability under, or claims, demands, actions, proceedings, lawsuits or investigations with respect to any Environmental Law, except as set forth in this Section 5.14.

Section 5.15 Material Contracts.

(a) As of the date of this Agreement, except for (i) contracts filed as an exhibit to or incorporated by reference in a Vanguard SEC Report filed prior to the Execution Date, (ii) contracts related to properties or operations that have been, or are under contract to be, purchased or sold or otherwise disposed of or are in the process of being purchased or sold or otherwise disposed of to the extent such sales and/or dispositions have been disclosed in Vanguard SEC Reports, or (iii) as otherwise set forth on Schedule 5.15(a), none of the Vanguard Entities is a party to or bound by any contract (whether written or oral) that is:

(i) a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC);

(ii) a loan, guarantee of indebtedness or credit agreement, note, bond, mortgage, indenture or other binding commitment (other than those solely between or among any of the Vanguard Entities) relating to indebtedness in an amount in excess of $1.0 million individually, other than the VNG Credit Agreement;

(iii) a contract that purports to limit materially the right of any of the Vanguard Entities to engage or compete in any line of business in which any of the Vanguard Entities is engaged or to compete with any person or operate in any location;

(iv) a contract that creates a partnership or joint venture or similar arrangement (other than a joint operating agreement entered into in the ordinary course of business) with respect to any significant portion of the business of the Vanguard Entities taken as a whole;

(v) a settlement or similar agreement with any Governmental Authority or order or consent of a Governmental Authority involving future performance by any of the Vanguard Entities that is material to the Vanguard Entities taken as a whole; or

(vi) a contract which includes any Affiliate of any of the Vanguard Parties (other than any other Vanguard Party) as a counterparty or third party beneficiary.

All contracts of the type described in this Section 5.15(a) together with the contracts for the sale of Hydrocarbons produced from any of the Vanguard Entities' Oil and Gas Properties described in the Vanguard Reserve Report that are not terminable on 90 days or less notice without payment by any of the Vanguard Entities of any material penalty and are set forth on Schedule 5.15(a), are referred to herein as the "Vanguard Material Contracts."

(b) Other than as a result of the expiration or termination of any Vanguard Material Contract in accordance with its terms and except as would not have either individually or in the aggregate a Vanguard Material Adverse Effect, (i) each Vanguard Material Contract is valid and binding on each of the Vanguard Entities that is a party thereto, as applicable, and is in full force and effect and enforceable in accordance with its terms against such Vanguard Entity and, to the Knowledge of the Buyer, is valid and binding on the other party or parties thereto, and in full force and effect and enforceable against such other parties thereto, (ii) each of the Vanguard Entities has performed all material obligations required to be performed by it to date under each Vanguard Material Contract, and (iii) none of the Vanguard Entities has knowledge of, or has received notice of, the existence of any event or condition which constitutes, or, after notice or lapse of time or both, would constitute, a material default on the part of any of the Vanguard Entities or of any other party under any such Vanguard Material Contract.

Section 5.16 Litigation. Except as set forth on Schedule 5.16, there are no Legal Proceedings pending or, to the Knowledge of the Buyer, threatened, against or involving the Vanguard Entities that, individually or in the aggregate, are reasonably likely to have a Vanguard Material Adverse Effect. Except as set forth on Schedule 5.16, there is no order, judgment, injunction or decree of any Governmental Authority outstanding against any of the Vanguard Entities that, individually or in the aggregate, could reasonably be expected to have a Vanguard Material Adverse Effect or to prevent or delay the consummation of the transactions contemplated by this Agreement or to impair Vanguard's ability to perform its obligations under this Agreement.

Section 5.17 Brokers. No broker, investment banker, financial advisor or other Person, other than RBC Capital Markets Corporation (the fees and expenses of which will be paid by Buyer), is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with this Agreement or any of the transactions contemplated hereby based upon arrangements made by or on behalf of Vanguard.

ARTICLE VI
COVENANTS

Section 6.1 Conduct of Business

(a) Except as required under applicable Law or by any Governmental Authority or unless the Board of Directors of ENP GP is advised by counsel that doing so would be a breach of its fiduciary duty to the limited partners of the Partnership, or to the extent Buyer otherwise consents in writing (which consent shall not be unreasonably withheld), during the period from the Execution Date to the Closing Date, GP Holdings shall take no action to prevent ENP GP or the Partnership Entities from:

(i) conducting their activities in the ordinary course of business consistent with past practice;

(ii) using commercially reasonable efforts to preserve intact their goodwill and relationships with customers, suppliers and others having business dealings with them with respect thereto;

(iii) complying in all material respects with all applicable Laws relating to them;

(iv) using commercially reasonable efforts to maintain in full force without interruption their present insurance policies, or comparable insurance coverage; and

(v) promptly notifying Buyer of any material change in the condition or business or any material litigation or proceedings (including arbitration and other dispute resolution proceedings) or material government complaints, investigations, inquiries or hearings (or communications indicating that the same may be contemplated) or any material developments in any such litigation, proceedings, complaints, investigations, inquiries or hearings.

(b) Without limiting the generality of the foregoing, and except as contemplated by this Agreement, or as required by applicable Law or by any Governmental Authority, prior to the Closing Date, without the prior written consent of Buyer (which consent shall not be unreasonably withheld), GP Holdings shall not cause ENP GP or the Partnership Entities (unless the Board of Directors of ENP GP is advised by counsel that failure to do so would be a breach of its fiduciary duty to the limited partners of the Partnership) to:

(i) modify, amend or voluntarily terminate, prior to the expiration date thereof, any Material Contract or waive any material default by, or release, settle or compromise any material claim against, any other party thereto, other than as may be required in connection with the Selling Parties' obligations to Buyer under this Agreement;

(ii) make any change in their Organizational Documents that would be materially adverse to Buyer;

(iii) make any material change in their Tax methods, principles or elections;

(iv) materially increase the compensation or benefits (except for normal increases in the ordinary course of business consistent with past practice) of any director, officer or employee of any Partnership Entity or (B) establish any new employee benefit plan, contract or arrangement for employees of any such entities;

(v) enter into any joint venture or similar arrangement with a third party other than in the ordinary course;

(vi) settle any claims, demands, lawsuits or state or federal regulatory proceedings for damages to the extent such settlements in the aggregate assess damages in excess of $5,000,000 (other than claims, demands, lawsuits or proceedings to the extent insured (net of deductibles), reserved against in the Partnership's financial statements or covered by an indemnity obligation not subject to dispute or adjustment from a solvent indemnitor) or (B) settle any claims, demands, lawsuits or state or federal regulatory proceedings seeking an injunction or other equitable relief where such settlements would have or would reasonably be expected to have a Material Adverse Effect; or

(vii) make any material change to its financial reporting and accounting methods other than as required by a change in GAAP.

Section 6.2 Access To Properties And Records.

(a) Each of the Selling Parties shall use all commercially reasonable efforts to facilitate each of the Partnership Entities (i) affording to Buyer and Buyer's accountants, counsel, financial advisors and other representatives (collectively " Buyer Representatives"), upon reasonable advance notice to the Selling Parties, reasonable access (which will not include invasive or subsurface testing) during normal business hours throughout the period commencing on the Execution Date and ending on the Closing Date (or the earlier termination of this Agreement pursuant to Article VIII hereof) to all personnel, properties, offices, books, contracts, and records of each of ENP GP and the Partnership Entities and their agents, including legal representatives, accountants and environmental and engineering consultants, and (ii) during such period, furnishing promptly to Buyer all financial and operating data and all other information concerning the business, properties, liabilities and personnel of any of the Partnership Entities or ENP GP as Buyer may reasonably request.

(b) Subject to the execution of a mutually agreeable confidentiality agreement, Vanguard shall use all commercially reasonably efforts to facilitate each of the Vanguard Entities (i) affording to Seller and Seller's accountants, counsel, financial advisors and other representatives (collectively " Seller's Representatives"), upon reasonable advance notice to Vanguard, reasonable access (which will not include invasive or subsurface testing) during normal business hours throughout the period commencing on the Execution Date and ending on the Closing Date (or the earlier termination of this Agreement pursuant to Article VIII hereof) to all personnel, properties, offices, books, contracts, and records of each of the Vanguard Entities and their agents, including legal representatives, accountants and environmental and

engineering consultants, and (ii) during such period, furnishing promptly to Seller all financial and operating data and all other information concerning the business, properties, liabilities and personnel of any of the Vanguard Entities as Seller may reasonably request.

Section 6.3 Consents And Approvals.

(a) The Selling Parties and Buyer shall each use all commercially reasonable efforts to obtain, and if reasonably requested by Buyer to do so the Selling Parties will use all commercially reasonable efforts to facilitate ENP GP and the Partnership Entities being able to obtain, or assist Buyer in obtaining, as appropriate, all necessary consents, licenses or permits from Governmental Authorities (including operator permits), waivers, orders, authorizations and approvals of all Governmental Authorities and of all other Persons required in connection with the execution and delivery of, and performance by such Party of its obligations under, this Agreement (including, in the case of the Selling Parties, obtaining the Denbury Lender Consent), and will cooperate fully with the other Parties in promptly seeking to obtain all such authorizations, consents, licenses, permits, orders, waivers and approvals, giving such notices, and making such filings.

(b) As promptly as practicable following execution of this Agreement the Parties shall determine if it is necessary to comply with the filing requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), and if it is necessary each Party shall (i) file or cause to be filed, as promptly as practicable (and in any event within ten (10) business days after the execution and delivery of this Agreement), with the Federal Trade Commission and the United States Department of Justice, all reports and other documents required to be filed by such Party under the HSR Act concerning the transactions contemplated hereby and (ii) promptly comply with or cause to be complied with any requests by the Federal Trade Commission or the United States Department of Justice for additional information concerning such transactions, in each case so that any and all waiting periods applicable to this Agreement and the transactions contemplated hereby under the HSR Act shall expire or be terminated as soon as practicable after the execution and delivery of this Agreement. Each Party agrees to request, and to cooperate with the other Party in requesting, early termination of any applicable waiting period under the HSR Act. The costs of any filing fees required in connection with any HSR filing shall be borne equally between Buyer, on the one hand, and the Selling Parties, on the other hand; *provided*, *however*, that any and all costs and expenses otherwise incurred by any of the Parties in connection with obtaining any other necessary consents, waivers, authorizations and approvals hereunder shall be borne solely by the Party required to obtain or deliver such consents, waivers, authorizations and approvals.

(c) The Parties agree to cooperate with each other and use reasonable best efforts to contest and resist, any Legal Proceeding, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent of any Governmental Authority that is in effect and that restricts, prevents or prohibits the consummation of the transactions contemplated by this Agreement.

Section 6.4 Further Assurances. Upon the request of any Party at any time on or after the Closing Date, each of the other Parties will promptly execute and deliver, such further instruments of assignment, transfer, conveyance, endorsement, direction or authorization and

other documents as the requesting Party or its counsel may reasonably request in order to perfect title of Buyer and its successors and assigns to the Member Interests and the Subject Common Units or otherwise to effectuate the purposes of this Agreement.

Section 6.5 Commercially Reasonable Efforts. Upon the terms and subject to the conditions of this Agreement, each of the Parties will use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable consistent with applicable Law to consummate and make effective in the most expeditious manner practicable the transactions contemplated hereby. GP Holdings shall use all commercially reasonable efforts to promptly cause to be held special meetings of the Board of Directors of ENP GP and/or the Conflicts Committee of the Board of Directors of ENP GP, in each case if necessary in connection with consummation of the transactions contemplated by this Agreement.

Section 6.6 Notice Of Certain Events.

(a) Each Party shall give to the other Parties written notice (a " Notification") promptly upon a matter, fact or circumstance that constitutes a Breach by the notifying Party becoming within the Knowledge of the notifying Party, specifying with particularity such Breach. Except as provided in this Agreement, such Notification will not modify or otherwise affect in any manner the representations, warranties, agreements, obligations or covenants of the Parties or the conditions to the obligations of the Parties under this Agreement and will not be deemed to amend any Schedules hereto or to cure any related breaches of the representations, warranties, agreements, obligations or covenants contained in this Agreement.

(b) Each Party shall give to the other Parties written notice (also a " Notification") promptly upon:

(i) a matter, fact or circumstance that constitutes a Breach by the other Parties becoming within the Knowledge of the notifying Party, specifying with particularity such Breach, provided such Notification will not affect any representation or warranty of the other Parties, or the notifying parties right to rely thereon;

(ii) receiving any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) receiving any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; or

(iv) within the Knowledge of the notifying Party any Legal Proceedings are commenced that would be reasonably expected to prevent or materially delay the consummation of the transactions contemplated by this Agreement or materially impair the notifying Party's ability to perform its obligations under this Agreement.

Section 6.7 Confidential Information.

(a) The Selling Parties and their Affiliates (which after Closing will not include ENP GP and the Partnership Entities) shall not, directly or indirectly, disclose after the Closing Date to any Person any information not in the public domain or generally known in the industry, in any form, acquired prior to the Closing Date, relating to the business and operations of the Partnership Entities. Notwithstanding the foregoing, the Selling Parties may disclose any information relating to the business and operations of the Partnership Entities (i) if required by Law, applicable stock exchange rule or in relation to any Tax Returns, (ii) to such other Persons if, at the time such information is provided, such Person is already in the possession of such information, or (iii) such information relates to ongoing commercial relationships between the Selling Parties or any of their Affiliates and any Partnership Entity or to the Administrative Services Agreement, and such disclosure is reasonably necessary in furtherance of the business and operations of the Selling Parties or any such Affiliate; *provided, that*, the Selling Parties and their Affiliates may not disclose such information pursuant to this clause (iii) to the extent that disclosure is restricted by a written agreement entered into in connection with any such ongoing commercial relationship.

(b) Except as consented to by Buyer in writing, none of the Selling Parties and their Affiliates shall release any Person from any Bidder Confidentiality Agreement (as defined below) now existing with respect to the confidential information of the Partnership Entities or waive or amend any provision thereof. After the Closing Date, the Selling Parties shall use commercially reasonable efforts to have all confidential information either returned to the Selling Parties or destroyed. Furthermore, if any parties to the Bidder Confidentiality Agreements breach the terms of their respective agreement, upon the request of Buyer, the Selling Parties shall cooperate with Buyer to enforce the terms of such Bidder Confidentiality Agreements at Buyer's cost and expense. The term " Bidder Confidentiality Agreements" shall mean the confidentiality agreements between any of the Selling Parties or any of their Affiliates or advisors and prospective purchasers (other than Buyer or its Affiliates) of the Member Interests and the Subject Common Units.

(c) If this Agreement is terminated, any information regarding the Selling Parties, ENP GP or the Partnership Entities furnished to Buyer or its representatives (as defined in the Confidentiality Agreement) in connection with Buyer's consideration or negotiation of the transaction contemplated by this Agreement, obtained by Buyer or its representatives pursuant to Section 6.2 above, or disclosed on any Schedule to this Agreement, will be considered "Evaluation Materials" as that term is defined in, and shall be subject to the confidentiality and use restrictions, and the remedy (including equitable relief) and other provisions, contained in the Confidentiality Agreement. Buyer acknowledges that the "Possible Transaction" referred to in the Confidentiality Agreement is the transaction contemplated by this Agreement.

Section 6.8 Tax Covenants.

(a) For all tax periods that begin before the Closing Date and end after the Closing Date (the " Straddle Period"), Buyer shall cause ENP GP to prepare and timely file all Tax Returns for the Partnership Entities (each, a "Straddle Period Return"). Each such Partnership Tax Return shall be prepared in accordance with the Partnership Agreement and in a manner consistent with past practice, except as otherwise required by applicable Tax Law. Buyer shall deliver to Selling Parties for Selling Parties' review, comment and approval any Straddle Period Return at least thirty (30) days before the due date (including extensions) for filing the Straddle Period Return. Buyer shall be responsible for the cost and expense of preparing and filing the Straddle Period Returns. ENP GP shall make or cause to be made any changes in such Straddle Period Return as the Selling Parties may reasonably request, subject to Buyer's approval, which shall not be unreasonably withheld. Buyer shall be responsible for the cost and expense of preparing and filing the Straddle Period Returns.

(b) For all tax periods that begin before the Closing Date and end on or before the Closing Date (the " Pre-Closing Period"), Selling Parties shall cause ENP GP to prepare and timely file all Tax Returns for the Partnership Entities (each of the foregoing, a " Pre-Closing Period Return"). Each such Pre-Closing Period Return shall be prepared in a manner consistent with past practice, except as otherwise required by applicable Tax Law. The Partnership shall be responsible for the cost and expense of preparing and filing all Pre-Closing Period Returns.

(c) After the Closing Date, the Parties shall make available to each other, as reasonably requested, and to any taxing authority, which is legally permitted to receive pursuant to its subpoena power or its equivalent, all information, records or documents relating to Tax liabilities or potential Tax liabilities of ENP GP or the Partnership Entities for all periods prior to or including the Closing Date and shall preserve all such information, records and documents until the expiration of any applicable statute of limitations for assessment or refund of Taxes, including any extensions, tollings or suspensions thereof. After the Closing Date, the Parties shall cooperate fully as and to the extent reasonably requested by the other, in connection with the filing of Partnership Entity Tax Returns pursuant to this Section 6.8 and any audit, litigation, appeal, hearing or other proceeding with respect to Partnership Taxes. Such cooperation shall include providing the information, records and documents described above and any other books, records and information appropriate to the preparation or review of a Partnership Tax Return and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided.

(d) Any sales tax, use tax, real property transfer tax, documentary stamp tax, transfer tax, motor vehicle tax, registration tax or similar tax or recording expense or other charge, expense or fee attributable to, imposed upon or arising directly from the consummation of the transactions contemplated hereby (collectively, the "Transfer Taxes") shall be borne equally by Buyer, on the one hand, and the Selling Parties, on the other hand. Buyer shall file all Tax Returns with respect to such Transfer Taxes, charges, expenses and fees, and if requested by Buyer, the Selling Parties shall execute and deliver such certificates or forms as may be necessary and appropriate for Buyer to establish an exemption from (or otherwise reduce) such Transfer Taxes, charges, expenses and fees. Buyer will use reasonable best efforts to provide such Tax Returns to Parent at least ten days prior to the due date for such Tax

Returns. Upon the filing of Tax Returns in connection with Transfer Taxes, Buyer shall provide Parent with evidence satisfactory to Parent that such Transfer Taxes have been filed and paid.

(e) For a period ending on the earlier of (i) Selling Parties disposing of all of their Vanguard Common Units acquired under this Agreement or (ii) eighteen (18) months following the Closing Date, Buyer shall not have the authority, without the prior written consent of the Selling Parties, to sell, transfer or otherwise convey any of the Contributed Subject Common Units or any of the Partnership's assets, or any interest therein, in a taxable transaction unless Buyer reimburses the Selling Parties for the amount of the Interest on the Accelerated Income Tax.

(f) For income tax purposes, items of income, gain, depreciation, gain or loss with respect to the Contributed Subject Common Units shall be allocated to take into account the variation between the Buyer's tax basis in such Contributed Subject Common Units and fair market value of such Contributed Subject Common Units in the manner provided under Section 704(c) of the Code and Treas. Reg. § 1.704-3(d) (i.e., the "remedial method").

Section 6.9 Indemnification and Insurance.

(a) Buyer shall ensure that all rights to exculpation, indemnification and advancement of expenses existing in favor of the current and former members, directors, officers, fiduciaries and employees either of ENP GP and its Subsidiaries, or of the Selling Parties (or any of their Affiliates who perform services under the Administrative Services Agreement) ("Indemnified Persons") that are included in the Organizational Documents of ENP GP or the Partnership as of the date of this Agreement for any matters or Proceedings (defined below) relating to any action or alleged action or failure to act or alleged failure to act occurring prior to Closing (including the matters contemplated by this Agreement) shall survive Closing and shall continue in full force and effect for a period of six (6) years after the Closing Date, without amendment or modification, unless otherwise required by Law, *provided* that all rights to indemnification in respect of any claim asserted or made during said six-year period shall continue until the final disposition of such claim. " Proceeding" means any threatened or actual claim, action, suit, proceeding or investigation (whether arising before or after Closing), whether civil, criminal, administrative or investigative.

(b) In the event Buyer or ENP GP or the Partnership or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving company or entity of such consolidation or merger or converts into any other person or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, Buyer shall cause proper provision to be made so that the successors and assigns of Buyer, ENP GP or the Partnership shall assume the obligations set forth in this Section 6.9.

(c) The obligations of Buyer, ENP GP and the Partnership under this Section 6.9 shall not be terminated or modified in such a manner as to adversely affect any Indemnified Persons without the consent of such Indemnified Person (it being expressly agreed that the Indemnified Persons shall be third-party beneficiaries of this Section 6.9). The rights of each

Indemnified Person hereunder shall be in addition to any other rights such Indemnified Persons may have under the Organizational Documents of ENP GP and the Partnership, under the Laws of the State of Delaware or otherwise.

Section 6.10 Post-Closing Payments to Selling Parties and Affiliates; Administrative Services Agreement .

(a) From and after the Closing Date, Buyer shall cause ENP GP, the Partnership and its Affiliates to timely pay, as and when due, any and all amounts owed by ENP GP, the Partnership or its Affiliates to any of the Selling Parties or their Affiliates as of the Closing Date. From and after the Closing Date, Selling Parties and their Affiliates shall timely pay, as and when due, any and all amounts owed by the Selling Parties or their Affiliates to ENP GP, the Partnership or its Affiliates as of the Closing Date. The Parties agree that the amounts owed by ENP GP or the Partnership Entities to the Selling Parties and their Affiliates include all amounts owing to the Selling Parties (specifically including payments for services rendered by the Selling Parties through the Closing Date) pursuant to that certain Amended and Restated Administrative Services Agreement among ENP GP, ENP, Operating, Encore Energy Partners Operating LLC, and Encore Acquisition Company entered into on September 17, 2007 and effective on March 7, 2007 (the " Administrative Services Agreement "), which are estimated through December 31, 2010 as set forth on Schedule 6.10(a). The Parties agree to update and confirm such amounts following Closing.

(b) Prior to the Closing Date the Partnership will continue to make regular quarterly distributions from Available Cash (as defined in the Partnership Agreement) to the limited partners and general partner of the Partnership, and ENP GP will continue to distribute to GP Holdings any such distribution which it receives. From and after the Closing Date, Buyer will cause ENP GP to pay to GP Holdings, and Buyer will pay to LP Holdings and Operating (i) any distributions received by ENP GP with respect to the GP Units, and (ii) any distributions received with respect to the Subject Common Units, respectively, when the record date for such distributions occurs prior to the Closing Date and the distribution is made on or after the Closing Date. Any such payment by ENP GP or the Buyer shall be made within 10 days of receipt of such distribution by ENP GP or the Buyer.

Section 6.11 No Negotiation. From and after the date hereof, the Selling Parties will not, and will cause their Affiliates not to, directly or indirectly, through any officer, director, employee, stockholder, agent, partner, representative, affiliate, or otherwise, enter into any agreement, agreement in principle or other commitment (whether or not legally binding), relating to any merger of the Partnership, or sale of all or substantially all of the assets of the Partnership, or purchase or sale or other disposition of any of the Member Interests or Subject Common Units or relating to any other similar transaction (a " Competing Transaction") or solicit, encourage or enter into discussions or negotiations with respect to (including by way of furnishing any non-public information concerning ENP GP's or the Partnership's business, properties or assets) any proposal relating to a Competing Transaction unless this Agreement has been terminated pursuant to and in accordance with Article VIII hereof.

Section 6.12 Partnership Credit Agreement. The Selling Parties shall request the Partnership to (a) use commercially reasonable efforts to obtain the written consent to, and/or

waivers of default or amendment of the Partnership Credit Agreement in connection with, the transactions contemplated by this Agreement (the " Partnership Bank Waivers"), from the Administrative Agent named in, and the required other lenders party to (collectively with the Administrative Agent, the " Partnership Lenders"), the Partnership Credit Agreement, and shall provide all commercially reasonable assistance requested by the Partnership in connection therewith, and (b) use their reasonable best efforts to permit Buyer and its representatives to participate in any and all discussions or negotiations with the Partnership Lenders in connection with obtaining such consent and/or waiver. Buyer agrees to pay one-half of any fee and Parent agrees to pay one-half of any fee required by the Partnership Lenders to be paid in order to secure the Partnership Bank Waivers.

Section 6.13 Employee Matters. Buyer may make offers of employment to those Subject Employees who are designated on Schedule 6.13, and Parent shall be responsible for any severance payments or other severance liabilities payable by Selling Parties or their Affiliates to those scheduled employees whose employment by the Selling Parties or their Affiliates is terminated in connection with their accepting offers of employment from Buyer or its Affiliates. For a period of one year from and after the Closing Date, no Selling Party shall solicit for employment or hire any of the individuals listed on Schedule 6.13. The restrictions in this Section 6.13 regarding the prohibition on solicitations (as opposed to hires) shall not apply to any solicitation directed at the general public.

Section 6.14 Books and Records; Financial Statements; Litigation Support .

(a) The Selling Parties shall provide Buyer access to the Selling Parties' accounting books and records relating to ENP GP, the Partnership and its Subsidiaries to the extent reasonably necessary to enable Buyer to prepare financial statements of ENP GP, the Partnership and its Subsidiaries and financial statements of Buyer and its Affiliates in such forms and covering such periods as may be required by any applicable securities laws to be filed with the SEC by Buyer or any Affiliate of Buyer in connection with or as a consequence of the transactions contemplated by this Agreement. The Selling Parties shall (i) request the Partnership's and its Subsidiaries' independent accountants to provide (at Buyer's expense) any consent necessary for the filing of such financial statements with the SEC; and (ii) request ENP GP to provide such customary representation letters as are necessary in connection therewith.

(b) The Selling Parties hereby consent to the inclusion or incorporation by reference of the financial statements of ENP GP, the Partnership and its Subsidiaries in any registration statement, report or other filing of Buyer or any of its Affiliates, as to which such financial statements are required to be included or incorporated by reference to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act, and in each case in connection with or as a consequence of the transactions contemplated by this Agreement; *provided*, *however*, Buyer shall indemnify the Selling Parties for any liabilities they incur resulting from the use of such information in any financial statements prepared by Buyer or its Affiliates, except for those liabilities based solely upon the information provided by the Selling Parties.

(c) The Selling Parties shall cooperate with Buyer and its Affiliates in connection with the preparation of any pro forma financial statements of Buyer or any of its Affiliates that

are derived in part from the financial statements of ENP GP, the Partnership and its Subsidiaries and are required to be included or incorporated by reference in any registration statement, report or other filing of Buyer or its Affiliates to satisfy any rule or regulation of the SEC or to satisfy relevant disclosure obligations under the Securities Act or the Exchange Act, in each case in connection with or as a consequence of the transactions contemplated by this Agreement; *provided*, *however*, Buyer shall indemnify the Selling Parties for any liabilities they incur resulting from the use of such information in any financial statements prepared by Buyer or its Affiliates, except for those liabilities based solely upon the information provided by the Selling Parties.

(d) The Selling Parties shall provide Buyer access to the Selling Parties' accounting books and records relating to ENP GP and the Partnership Entities as may be reasonably necessary for Buyer or any of its Affiliates, or any of their respective advisors or representatives, to conduct customary due diligence with respect to the financial statements of ENP GP or the Partnership Entities for any offering of securities by Buyer or any of its Affiliates in which such financial statements are required to be included, or to enable an accounting firm to prepare and deliver a customary comfort letter with respect to financial information relating to ENP GP or the Partnership Entities for any such offering.

(e) In the event and for so long as any Party actively is contesting or defending against any third-party Legal Proceeding (other than any Legal Proceedings in which Buyer or any of its Affiliates and the Selling Parties or any of their Affiliates are adverse parties) in connection with (i) the transactions contemplated by this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving ENP GP, the Partnership or its Subsidiaries, each of the other Parties will cooperate with it and its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be reasonably requested and necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party; *provided, however*, that nothing in this Section 6.14(e) shall limit in any respect any rights a Party may have with respect to discovery or the production of documents or other information in connection with any such litigation.

(f) The Selling Parties hereby agree that upon the consummation of the transactions contemplated hereby, Buyer and the ENP GP shall have the sole right to the use of the names "Encore Energy Partners," "Encore Energy Partners Operating," "Encore Energy Partners Finance," "Encore Clear Fork Pipeline," "Encore Energy Partners GP," and "Encore Partners LP Holdings" or similar names or any service marks, trademarks, trade names, identifying symbols, logos, emblems, signs or insignia related thereto or containing or comprising the foregoing, including any name or mark confusingly similar thereto (collectively, the "Company Marks"). The Selling Parties shall not, and shall not permit their respective Affiliates to, use such name or any variation or simulation thereof or any of the Company Marks. Each of the Selling Parties shall, and shall cause each of its respective Affiliates to, immediately after the Closing, cease to hold itself out as having any affiliation with Buyer, ENP GP, the Partnership Entities or any of their respective Affiliates, and Buyer shall request ENP GP and the Partnership Entities to cease, immediately after Closing, to hold themselves out as having any affiliation with any of the Selling Parties.

(g) The Selling Parties shall cause ENP GP and the Partnership to carry out the preparation of financial statements and other information required to be included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2010 (the " 2010 Form 10-K") in such a manner and on such a schedule as is consistent with ENP GP's and the Partnership's customary past practices for financial and SEC reporting and to assist in the preparation of the 2010 Form 10-K as reasonably requested by Buyer, including but not limited to (i) cooperating with the Partnership's outside auditors in connection with such auditor's conducting the year-end audit for the fiscal year ending December 31, 2010; and (ii) preparing initial drafts of the 2010 Form 10-K. Third party engineering, accounting, legal and other third party costs incurred in connection with preparation of the 2010 Form 10-K shall be borne by the Partnership.

Section 6.15 Director Resignations. On the Closing Date, the Selling Parties shall cause to be delivered to Buyer duly executed resignations of the officers of ENP GP listed on Schedule 6.15, and of directors Phil Rykhoek, Tracy Evans, Robert Cornelius and Mark Allen (each being a " Resigning Director"), and immediately following such resignations, Buyer will designate new individuals to fill the vacancies so created in compliance with applicable stock exchange rules and the ENP GP LLC Agreement.

Section 6.16 Migration of Records; Information. From and after the Closing Date, as soon as reasonably practicable the Selling Parties shall or shall cause their Affiliates to, transfer to Buyer all books, records and information, including copies of all maps, surveys, drawings, technical data, geographical and engineering data, programs, customer lists, business plans, marketing studies, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form, including electronic form, whether or not specifically listed herein, related to the business, assets or operations of ENP GP or the Partnership Entities (collectively, the " Partnership Entities Records") to the extent any such Partnership Entities Records are in the possession of any of the Selling Parties or their Affiliates following the Closing. Specifically, and without limiting the foregoing, the Selling Parties shall or shall cause their Affiliates to, as soon as reasonably practicable following the Closing Date, transfer all property or oil and gas related information related to ENP GP or any Partnership Entity stored in any Selling Party's or any Affiliate of such Selling Party's PETRA software, including information related to project data management, well log analysis, mapping, cross-sections, seismic integration and interpretation, production and reservoir analysis, and 3D visualization provided Vanguard furnishes evidence of its holding a PETRA license, and limited to data within PETRA that can lawfully be transferred and that covers ENP properties exclusively. Notwithstanding the foregoing in this Section 6.16, the Selling Parties may retain copies of all books, records and information necessary to fulfill their obligations in Section 6.14, after which the Selling Parties shall and shall cause their Affiliates to transfer all such books, records and information to Buyer.

ARTICLE VII
CONDITIONS TO CLOSING

Section 7.1 Shared Conditions to the Parties' Obligations. The obligation of the Parties to proceed with the Closing contemplated hereby is subject to the satisfaction on or prior to the

Closing Date of all of the following conditions, any one or more of which may be waived, in whole or in part, by a written waiver executed by the waiving Party or Parties:

(a) *Partnership Credit Agreement*. The Partnership shall have obtained the Partnership Bank Waivers from the Partnership Lenders.

(b) *HSR Act*. In the event it is necessary to comply with the HSR Act, the expiration, or early termination, of any applicable waiting period under the HSR Act has occurred and neither the Federal Trade Commission nor the Department of Justice has instituted, or threatened to institute, a legal proceeding which seeks to or does prohibit, restrain or enjoin consummation of the transactions contemplated hereby.

(c) *No Order*. No preliminary or permanent injunction or other order issued by any Governmental Authority that declares this Agreement or any of the Transaction Documents invalid or unenforceable in any respect or that prohibits, restrains or enjoins the consummation of the transactions contemplated hereby or thereby shall be in effect; and no action or other proceeding before any Governmental Authority shall be pending or have been threatened that seeks to prevent or delay the consummation of the transactions contemplated by this Agreement or any of the Transaction Documents or that challenges the validity or enforceability of this Agreement or any of the Transaction Documents; *provided* that all Parties shall have used commercially reasonable efforts to have any such preliminary or permanent injunction or other order lifted or to contest any action or other proceeding before any Governmental Authority and such preliminary or permanent injunction or other order has not been lifted within 30 days after the entry thereof (or if earlier on the Closing Date) or such action or other proceeding is still pending 30 days following the commencement thereof (or if earlier on the Closing Date). Notwithstanding anything to the contrary in this Agreement, Buyer's commercially reasonable efforts shall not include agreeing to hold separate (including by trust or otherwise) or divest, dispose of, discontinue or assign any of its businesses, Affiliates or assets.

Section 7.2 Conditions to Buyer's Obligations. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived in writing by Buyer in its sole discretion:

(a) *Receipt Of Documents.* The Selling Parties shall have delivered, or be standing ready to deliver, to Buyer the items specified in Section 1.2(a), in each case duly executed and dated the Closing Date.

(b) *No Material Adverse Effect*. Since the date hereof there shall not have occurred a Material Adverse Effect.

(c) *MAE Certificates*. Buyer shall have received a certificate, dated as of the Closing Date, of an executive officer of each of the Selling Parties certifying that to the Knowledge of the Selling Parties no Material Adverse Effect has occurred.

(d) *Representations and Warranties of the Selling Parties in Article II* and *Article III*. All representations and warranties made by the Selling Parties in Article II and Article III of this Agreement that:

(i) are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if again made by the Selling Parties on and as of the Closing Date; and

(ii) are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if made by the Selling Parties on and as of the Closing Date;

and Buyer shall have received a certificate dated the Closing Date and signed by an executive officer of each of the Selling Parties certifying to the matters set forth in this Section 7.2(d).

(e) *Performance of Selling Parties' Obligations*. The Selling Parties shall have performed in all material respects all agreements, obligations and covenants required under this Agreement to be performed by them on or before the Closing Date, and Buyer shall have received a certificate dated the Closing Date and signed by an executive officer of each of the Selling Parties certifying to the matters set forth in this Section 7.2(e).

(f) *Consents and Approvals*. All consents, waivers, authorizations and approvals set forth on Schedule 2.3 (No Conflict or Violation), Schedule 2.4 (Consents and Approvals), Schedule 3.3 (Consents and Approvals), Schedule 4.4 (Consents and Approvals), or Schedule 5.5 (Consents and Approvals), shall have been duly obtained, shall contain terms reasonably satisfactory to Buyer and shall be in full force and effect on the Closing Date and copies thereof shall have been provided to Buyer at Closing.

(g) *Legal Opinion*. Buyer shall have received an opinion of Baker Hostetler LLP, counsel to the Selling Parties, dated the Closing Date, substantially in the form of Exhibit 1.2(a)(vi).

(h) *Denbury Lender Consent*. The Selling Parties shall have obtained the Denbury Lender Consent.

(i) *Director and Officer Resignations*. Buyer shall have received the resignations of each of the Resigning Directors and each of the officers of ENP GP listed on Schedule 6.15.

Section 7.3 Conditions to Selling Parties' Obligations. The obligations of the Selling Parties to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived in writing by the Selling Parties in their sole discretion:

(a) *Receipt of Payment*. Buyer shall have paid to the Selling Parties the Cash Portion of the Purchase Price and the Escrow Agent shall have released the Deposit to the Selling Parties, all as provided in Section 1.3.

(b) *Representations and Warranties of Buyer*. All representations and warranties made by Buyer in this Agreement that:

(i) are not qualified by materiality or material adverse effect shall be true and correct in all material respects on and as of the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if again made by Buyer on and as of the Closing Date; and

(ii) are qualified by materiality or material adverse effect shall be true and correct in all respects on the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if made by the Buyer on and as of the Closing Date;

and the Selling Parties shall have received a certificate dated the Closing Date and signed by an executive officer of Buyer certifying to the matters set forth in this Section 7.3(b).

(c) *Performance of Buyer's Obligations*. Buyer shall have performed in all material respects all agreements, obligations and covenants required under this Agreement to be performed by it on or before the Closing Date, and the Selling Parties shall have received a certificate dated the Closing Date and signed by an executive officer of Buyer certifying to the matters set forth in this Section 7.3(c).

(d) *Representations and Warranties of Vanguard*. If the Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then all representations and warranties made by Vanguard in this Agreement that:

(i) are not qualified by materiality or a Vanguard Material Adverse Effect shall be true and correct in all material respects on and as of the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if again made by Vanguard on and as of the Closing Date; and

(ii) are qualified by materiality or a Vanguard Material Adverse Effect shall be true and correct in all respects on the date hereof and, except to the extent that any representation is specifically limited by the terms of such representation to the date of this Agreement or another specified date, on the Closing Date as if made by the Vanguard on and as of the Closing Date;

and the Selling Parties shall have received a certificate dated the Closing Date and signed by an executive officer of Vanguard certifying to the matters set forth in this Section 7.3(d). For the avoidance of doubt, if the Buyer elects not to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then the condition contained in this Section 7.3(d) shall not apply.

(e) *Performance of Vanguard's Obligations*. If the Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, Vanguard shall have performed in all material respects all agreements, obligations and covenants required under this

Agreement to be performed by it on or before the Closing Date, and the Selling Parties shall have received a certificate dated the Closing Date and signed by an executive officer of Vanguard certifying to the matters set forth in this Section 7.3(e). For the avoidance of doubt, if the Buyer elects not to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then the condition contained in this Section 7.3(e) shall not apply.

(f) *Consents and Approvals*. All consents, waivers, authorizations and approvals set forth on Schedule 2.3 (No Conflict or Violation), Schedule 2.4 (Consents and Approvals), Schedule 3.3 (Consents and Approvals), Schedule 4.4 (Consents and Approvals), or Schedule 5.5 (Consents and Approvals) shall have been duly obtained, shall contain terms reasonably satisfactory to the Selling Parties and shall be in full force and effect on the Closing Date and copies thereof shall have been provided to Selling Parties at Closing.

(g) *Legal Opinion*. The Selling Parties shall have received an opinion of Vinson & Elkins L.L.P., counsel to Buyer, dated the Closing Date, substantially in the form of Exhibit 1.2(c)(ii). For the avoidance of doubt, if Buyer elects not to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then the condition contained in this Section 7.3(g) shall not apply.

(h) *Receipt of Documents*. Buyer and Vanguard, as applicable, shall have delivered to the Selling Parties the items specified in Section 1.2(b), in each case duly executed and dated the Closing Date.

ARTICLE VIII
TERMINATION

Section 8.1 Methods Of Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time before the Closing:

(a) by the mutual written agreement of the Selling Parties and Buyer;

(b) by written notice from Selling Parties to the Buyer specifying with particularity the applicable Breach, if Buyer has committed a Breach, and such Breach would result in the failure of any condition to Closing set forth in Section 7.3(c) or, if Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, Section 7.3(e); *provided*, if such Breach is curable through the exercise of commercially reasonable efforts, then the Selling Parties may only terminate this Agreement if such Breach is not cured by Buyer or Vanguard, as applicable, within thirty (30) days after the receipt by the Selling Parties or Buyer, as the case may be, of a Notification provided pursuant to Section 6.6 specifying with particularity such Breach; *provided, further*, that any right of Buyer or Vanguard, as applicable, to cure a Breach will terminate on the Outside Date;

(c) by written notice from Selling Parties to the Buyer specifying with particularity the applicable Breach, if Buyer has committed a Breach, and such Breach would result in the failure of any condition to Closing set forth in Section 7.3(b) or, if Buyer elects to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, Section 7.3(d); *provided*, if such Breach is curable through the exercise of commercially reasonable efforts, then Selling Parties may only terminate this Agreement if such Breach is not cured by Buyer or Vanguard,

as applicable, within thirty (30) days after the receipt by Buyer or Vanguard, as applicable, as the case may be, of a Notification provided pursuant to Section 6.6 specifying with particularity such Breach; *provided, further*, that any right of Buyer or Vanguard, as applicable, to cure a Breach will terminate on the Outside Date;

(d) by written notice from Buyer to the Selling Parties specifying with particularity the applicable Breach, if the Selling Parties have committed a Breach, and such Breach would result in the failure of the condition to Closing set forth in Section 7.2(e); *provided*, if such Breach is curable through the exercise of commercially reasonable efforts, then Buyer may only terminate this Agreement if such Breach is not cured within thirty (30) days after the receipt by the Buyer or the Selling Parties, as the case may be, of a Notification provided pursuant to Section 6.6 specifying with particularity such Breach; provided, further, that any right of Selling Parties to cure a Breach will terminate on the Outside Date;

(e) by written notice from Buyer to the Selling Parties specifying with particularity the applicable Breach, if the Selling Parties have committed a Breach, and such Breach would result in the failure of the condition to Closing set forth in Section 7.2(d); *provided*, if such Breach is curable through the exercise of commercially reasonable efforts, then the Buyer may only terminate this Agreement if such Breach is not cured by the Selling Parties within thirty (30) days after the receipt by the Selling Parties or Buyer, as the case may be, of a Notification provided pursuant to Section 6.6 specifying with particularity such Breach; provided, further, that any right of the Selling Parties to cure a Breach will terminate on the Outside Date;

(f) by written notice from either the Selling Parties or Buyer to the other Party, if any condition to the terminating Party's obligation to proceed with the Closing is not satisfied on or before February 1, 2011 (the "Outside Date"), or if satisfied prior thereto, does not remain satisfied on the Closing Date, and non-satisfaction of such condition was not the result of the other Party's Breach, *provided* that no Party whose Breach has resulted in a condition to such Party's obligation to proceed with Closing not being satisfied will have the right to terminate this Agreement under this Section 8.1(f);

(g) by written notice from Buyer to the Selling Parties, if after the date of this Agreement a Material Adverse Effect has occurred and is continuing;

(h) by written notice from the Selling Parties to Buyer, if (i) Buyer elects for there to be an Equity Portion of the Purchase Price in accordance with Section 1.3 and (ii) after the date of this Agreement, a Vanguard Material Adverse Effect has occurred and is continuing; and

(i) by written notice from Buyer to the Selling Parties upon the occurrence of any of the following actions by ENP GP or the Partnership Entities, unless Buyer consents in writing (which consent shall not be unreasonably withheld) within twenty Business Days from the receipt of written notice from the Selling Parties of the intent of ENP GP or the Partnership Entities to effect such event:

(i) the issuance, delivery, sale, pledge or disposition of any (A) equity securities or partnership units of any class, (B) debt securities having the right to vote on any matters on which holders of capital stock or members or partners of the same issuer

may vote or (C) securities convertible into or exercisable for, or any rights, warrants, calls or options to acquire, any such securities;

(ii) the creation, incurrence, guarantee or assumption any new indebtedness for borrowed money in excess of $10,000,000 in the aggregate;

(iii) the acquisition of any material properties or assets in excess of $5,000,000 in the aggregate;

(iv) the redemption, retirement, purchase or other acquisition, directly or indirectly, of the equity interests of the Partnership or declaration, setting aside or payment of distributions other than regular quarterly cash distributions by the Partnership (with such amounts determined using the same methodology as recent quarterly distributions);

(v) the making of any capital expenditures in excess of $5,000,000 in addition to the amounts of capital expenditures that were included in the 2010 budget delivered to Buyer;

(vi) the entering into of any leases of real property, other than renewals of existing leases in the ordinary course of business, the net present value (calculated at the weighted average interest rate on the Partnership's indebtedness) of which exceeds $5,000,000; and

(vii) the sale of any assets with proceeds to ENP GP or the Partnership Entities in excess of $5,000,000 in the aggregate, except in the ordinary course of business and consistent with past practice.

During the pendency of any such action, the Selling Parties agree to use commercially reasonable efforts to keep Buyer reasonably informed as to the progress of such action. Any of the foregoing actions that are consented to by Buyer pursuant to this Section 8.1(i) shall not be the basis for Buyer to assert either that Selling Parties have committed a Breach for any purpose under this Agreement, or that any condition to Closing would fail or has failed as a result of such action.

Section 8.2 Effect Of Termination. The following provisions shall apply in event of a termination of this Agreement:

(a) If the Selling Parties have the right to terminate this Agreement pursuant to Section 8.1(b)and the Buyer does not have the right to terminate this Agreement, then the Selling Parties may elect either to (i) specifically enforce the covenants and obligations of Buyer under this Agreement, or (ii) terminate this Agreement, in which latter event the Deposit shall be released to the Selling Parties on the terms and conditions of the Escrow Agreement and Buyer shall be obligated to pay the Selling Parties an additional $30,000,000 within ten (10) days of such termination.

(b) If the Selling Parties have the right to terminate this Agreement pursuant to Section 8.1(c) and the Buyer does not have the right to terminate this Agreement, then the

Selling Parties may elect either to (i) specifically enforce the covenants and obligations of Buyer under this Agreement, or (ii) terminate this Agreement, in which latter event the Deposit shall be released to the Selling Parties on the terms and conditions of the Escrow Agreement and Buyer shall be obligated to pay the Selling Parties an additional $30,000,000 within ten (10) days of such termination; *provided, however*, if the Breach giving rise to that termination right results from matters, facts or circumstances first arising after the date hereof, or first arising before the date hereof but not within the Knowledge of the Buyer until after the date hereof (any such breach, a "Buyer Unknown Matter Breach"), then Buyer will not be obligated to pay any amount to the Selling Parties pursuant to this Section 8.2(b).

(c) If Buyer has the right to terminate this Agreement pursuant to Section 8.1(d) and the Selling Parties do not have the right to terminate this Agreement, then Buyer may elect either to (i) specifically enforce the covenants and obligations of the Selling Parties under this Agreement or (ii) terminate this Agreement, in which latter event the Buyer is entitled to a return of the Deposit and Selling Parties shall be obligated to pay the Buyer $50,000,000 within ten (10) days of such termination.

(d) If Buyer has the right to terminate this Agreement pursuant to Section 8.1(e) and the Selling Parties do not have the right to terminate this Agreement, then Buyer may elect either to (i) specifically enforce the covenants and obligations of the Selling Parties under this Agreement, or (ii) terminate this Agreement, in which latter event the Deposit shall be released to Buyer on the terms and conditions of the Escrow Agreement and the Selling Parties shall be obligated to pay Buyer $50,000,000 within ten (10) days of such termination; *provided, however*, if the Breach giving rise to that termination right results from matters, facts or circumstances first arising after the date hereof, or first arising before the date hereof but not within the Knowledge of the Selling Parties until after the date hereof (any such breach, a "Selling Parties Unknown Matter Breach"), then the Selling Parties will not be obligated to pay any amount to Buyer pursuant to this Section 8.2(d).

(e) If Buyer has the right to terminate this Agreement pursuant to Section 8.1(i), then Buyer may elect either to (i) specifically enforce the covenants and obligations of the Selling Parties under this Agreement, or (ii) terminate this Agreement, in which latter event the Deposit shall be released to Buyer on the terms and conditions of the Escrow Agreement and the Selling Parties shall be obligated to pay Buyer its out-of-pocket expenses (including attorneys fees and fees of its financial advisor) up to a maximum of $200,000 within ten (10) days of such termination.

(f) In the event of termination of this Agreement for any reason other than those specified in Section 8.2(a) or (b), the Deposit shall be released to Buyer on the terms and conditions of the Escrow Agreement.

(g) In the event of termination of this Agreement pursuant to Section 8.1 hereof, then except as otherwise set forth in this Section 8.2, this Agreement shall forthwith become void and there shall be no other liability hereunder on the part of Buyer or the Selling Parties (or their respective officers or directors), except based upon obligations set forth in Section 6.7(c).

(h) The Selling Parties and the Buyer hereby acknowledge that (i) the extent of damages to the Selling Parties or Buyer caused by the failure of the transaction contemplated by this Agreement to be consummated in the event of an election to terminate this Agreement pursuant to Sections 8.2(a), (b), (c), (d) or (e) would be impossible or extremely difficult to ascertain, (ii) the amount of the liquidated damages set forth in Sections 8.2(a), (b), (c), (d) or (e), as applicable, is a fair and reasonable estimate of such damages under such circumstances, and (iii) receipt of such amount by the Selling Parties, or Buyer, as applicable, does not constitute a penalty and will be the Selling Parties' or Buyer's, as applicable, sole and exclusive remedy in the event of termination of this Agreement pursuant to respectively Sections 8.2(a), (b), (c), (d) or (e), as applicable.

(i) Each of the Parties hereto acknowledges and agrees that in the event that the other Party has the right to terminate this Agreement pursuant to respectively Sections 8.2(a), (b), (c), (d) or (e), then the other Party shall be entitled as an election of remedies, and instead of terminating this Agreement, to seek an injunction or injunctions to prevent Breach by the acknowledging Party, and to specifically enforce the covenants and obligations of the acknowledging Party to be performed at Closing, in any courts of the State of Texas, and in the federal courts of the United States of America, in each case located in Harris County, Texas.

ARTICLE IX
SURVIVAL; INDEMNIFICATION

Section 9.1 Survival.

(a) The representations and warranties of the Selling Parties contained herein or in any certificates or other documents delivered pursuant to this Agreement on the Closing Date shall survive the Closing for a period of twelve (12) months following the Closing Date; *provided*, *however*, that (i) the representations and warranties set forth in Section 2.2 (Validity of Agreement; Authorization), Section 2.5 (Capitalization of ENP GP; General Partner Interest; Subject Common Units) and Section 2.11 (Brokers), shall survive indefinitely, and (ii) the representations and warranties set forth in Section 2.12 (Employee Plans), Section 3.10 (Tax Matters), and Section 3.14 (Employees; Employee Plans) shall survive for a period ending thirty (30) days after the expiration of the applicable statute of limitations.

(b) The representations and warranties of Buyer and Vanguard contained herein or in any certificates or documents delivered pursuant to this Agreement or the Closing shall survive the Closing for a period of twelve (12) months following the Closing Date; *provided*, *however*, that (i) the representations and warranties set forth in Section 4.2 (Validity of Agreement), Section 4.5 (Brokers) Section 5.2(c) (Issuance of Vanguard Common Units), Section 5.3 (Validity of Agreement) and Section 5.17 (Brokers) shall survive indefinitely, and (ii) the representations and warranties set forth in Section 5.10 (Tax Matters) shall survive for a period ending thirty (30)days after the expiration of the applicable statute of limitations; *provided further*, *however*, that in the event that if Buyer elects not to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, then all of the representations and warranties of Vanguard contained in Article V shall expire at Closing and have no further force or effect.

(c) The covenants and agreements in this Article IX shall survive the Closing and shall remain in full force and effect for such period as is necessary to resolve any claim made with respect to any representation, warranty, covenant or agreement contained herein during the survival period thereof. The covenants and agreements of the Parties to be performed after Closing contained in Articles VI and X of this Agreement shall survive the Closing for (x) the time period(s) set forth in the respective Sections contained in such Articles, or (y) if no time period is so specified, without any contractual limitation on the period of survival. If Closing occurs then no claim may be asserted nor may any action be commenced against any Party for failure to perform or observe any term, provision, covenant or agreement by such Party to be performed or observed under this Agreement at or prior to the Closing, to the extent that such Party has an indemnification obligation with respect thereto, unless written notice of such claim or action is received by such Party describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or action on or prior to two (2) years following the Closing Date.

Section 9.2 Indemnification Coverage.

(a) From and after the Closing, the Selling Parties shall indemnify and defend, save and hold Buyer and ENP GP and their Affiliates (other than the Partnership Entities) and each of their respective officers, directors, employees and agents (collectively, the " Buyer Indemnified Parties") harmless if any such Buyer Indemnified Party shall suffer any damage, judgment, fine, penalty, demand, settlement, liability, loss, cost, Tax, expense (including reasonable attorneys', consultants' and experts' fees), claim or cause of action (each, a "Loss," and collectively, "Losses") arising out of, relating to or resulting from:

(i) any breach or inaccuracy in any representation or warranty by the Selling Parties contained in this Agreement or any certificates or other documents delivered by any Selling Party pursuant to this Agreement at the Closing; *provided*, that in determining whether any such representation or warranty has been breached or is inaccurate, such representation or warranty shall be construed as if Material Adverse Effect or materiality is not a qualification thereto and *provided, further*, that a Selling Parties Unknown Matter Breach of Sections 3.15, 3.16 or 3.18 will not result in any Buyer Indemnified Party suffering Losses for which it is entitled to indemnification, defense or being saved and held harmless pursuant to this Article IX;

(ii) any failure by the Selling Parties to perform or observe any term, provision, covenant, or agreement on the part of the Selling Parties to be performed or observed under this Agreement;

(iii) Selling Parties' Taxes;

(iv) any broker or other Person claiming to be entitled to an investment banker's, financial advisor's, broker's, finder's or similar fee or commission in respect of the execution of this Agreement or the consummation of the transactions contemplated hereby, by reason of the claiming Person acting at the request of the Selling Parties or any of their Affiliates; and

(v) any Plan or Plan Liability.

(b) From and after the Closing, Buyer shall indemnify and defend, save and hold the Selling Parties and their Affiliates and their respective officers, directors, employees and agents (collectively, the "Seller Indemnified Parties") harmless if any such Seller Indemnified Party shall suffer any Loss arising out of, relating to or resulting from:

(i) any breach or inaccuracy in any representation or warranty by Buyer contained in this Agreement or any certificates or other documents delivered by Buyer pursuant to this Agreement at the Closing; *provided* that in determining whether any such representation or warranty has been breached or is inaccurate, such representation or warranty shall be construed as if material adverse effect or materiality is not a qualification thereto;

(ii) any failure by Buyer to perform or observe any term, provision, covenant, or agreement on the part of Buyer to be performed or observed under this Agreement;

(iii) any broker or other Person claiming to be entitled to an investment banker's, financial advisor's, broker's, finder's or similar fee or commission in respect of the execution of this Agreement or the consummation of the transactions contemplated hereby, by reason of the claiming Person acting at the request of Buyer, Vanguard or any of their respective Affiliates;

(iv) all Taxes (or nonpayment thereof) of ENP GP and the Partnership Entities that are attributable to any taxable period beginning after the Closing Date, or the portion of the Straddle Period beginning after the Closing Date; and

(v) any breach or inaccuracy in any representation or warranty by Vanguard contained in Article V of this Agreement or any certificates or other documents delivered by Vanguard pursuant to this Agreement at the Closing; *provided* that in determining whether any such representation or warranty has been breached or is inaccurate, such representation or warranty shall be construed as if material adverse effect or materiality is not a qualification thereto; *provided further*, that if Buyer elects not to provide an Equity Portion of the Purchase Price in accordance with Section 1.3, a breach or inaccuracy in any representation or warranty by Vanguard contained in Article V of this Agreement will not result in any Seller Indemnified Party suffering Losses for which it is entitled to indemnification, defense or being saved and held harmless pursuant to this Article IX.

(c) The foregoing indemnification obligations shall be subject to the following limitations:

(i) the Selling Parties' cumulative aggregate liability for Losses under Section 9.2(a)(i) and Buyer's cumulative aggregate liability under Section 9.2(b)(i) and 9.2(b)(v), in each case, shall not exceed $50 million (the "Cap"); *provided*, *however*, that the Cap shall not be applicable with respect to (i) Breaches under Sections 2.2 (Validity of Agreement), 2.5 (Capitalization of ENP GP; General Partner Interest; Subject Common Units), 2.11 (Brokers), 3.4 (Partnership Capitalization, Title to Subject Common Units), 4.2 (Validity of Agreement; Authorization) or 4.5 (Brokers), 5.2(c) (Issuance of

Vanguard Common Units), 5.3 (Validity of Agreement) and 5.17 (Brokers) hereof, (ii) Losses with respect to matters that constitute fraud or intentional misrepresentation, (iii) Losses with respect to Taxes, the liability with respect to which shall be as set forth in Sections 9.2(a)(iii) and 9.2(b)(iv), or (iv) Losses with respect to any Plans or Plan Liability, the liability with respect to which shall be as set forth in Section 9.2(a)(v);

(ii) Buyer's cumulative aggregate liability for Losses under Section 9.2(b)(v) shall not exceed thirteen percent of the value of the Equity Portion of the Purchase Price, if any (the "Vanguard Cap"); *provided*, *however*, that the Vanguard Cap shall not be applicable with respect to (i) breaches under Sections 5.2(c) (Issuance of Vanguard Common Units), 5.3 (Validity of Agreement), 5.10 (Tax Matters), and 5.17 (Brokers) hereof or (ii) Losses with respect to matters that constitute fraud or intentional misrepresentation;

(iii) no indemnification for any Losses asserted against the Selling Parties under Section 9.2(a)(i) or against Buyer under Section 9.2(b)(i) and Section 9.2(b)(v) shall be required unless and until the cumulative aggregate amount of such Losses, in each case, exceeds $3,800,000 (the "Deductible"), at which point the Selling Parties shall be obligated to indemnify the Buyer Indemnified Parties or Buyer shall be obligated to indemnify the Seller Indemnified Parties, as the case may be, only for the amount of such Losses in excess of the Deductible, *provided*, *however*, that the Deductible shall not be applicable with respect to (i) breaches under Sections 2.2 (Validity of Agreement), 2.5 (Capitalization of ENP GP; General Partner Interest; Subject Common Units), 2.11 (Brokers), 3.4 (Partnership Capitalization, Title to Subject Common Units), 4.2 (Validity of Agreement; Authorization), 4.5 (Brokers), 5.2(c) (Issuance of Vanguard Common Units), 5.3 (Validity of Agreement), and 5.17 (Brokers) hereof, (ii) Losses with respect to matters that constitute fraud or intentional misrepresentation, (iii) Losses with respect to those Taxes the liability with respect to which are set forth in Sections 9.2(a)(iii) and 9.2(b)(iv), or (iv) Losses with respect to any Plans or Plan Liability, the liability with respect to which shall be as set forth in Section 9.2(a)(v);

(iv) the amount of any Losses suffered by a Seller Indemnified Party or a Buyer Indemnified Party, as the case may be (such party seeking indemnification pursuant to this Article IX, the "Indemnified Party," and the other party, the "Indemnifying Party"), shall be determined without giving effect to any materiality or Material Adverse Effect qualifiers and shall be reduced by any third-party insurance benefits or third party recoveries actually received by the Indemnified Party with respect to such Loss (net of costs incurred to recover such insurance benefits and third party recoveries, deductibles, and retropremiums). To the extent an Indemnified Party suffers Losses for which the Indemnifying Party is liable for indemnification, the Indemnified Party shall submit a claim to collect any amounts available under third-party insurance coverage and from other third parties reasonably liable for any Loss suffered by the Indemnified Party;

(v) no claim may be asserted nor may any action be commenced against any Party for breach or inaccuracy of any representation or breach of a warranty, unless written notice of such claim or action is received by the other Party describing in

reasonable detail the facts and circumstances with respect to the subject matter of such claim or action on or prior to the date on which the representation or warranty on which such claim or action is based ceases to survive as set forth in Section 9.1;

(vi) no Indemnified Party shall be entitled under this Agreement to multiple recovery for the same Losses; and

(vii) if the Closing occurs, no Indemnified Party is entitled to indemnification or any other recovery under this Agreement with respect to any breach or inaccuracy in any representation or warranty of an Indemnifying Party (A) that would have given the Indemnified Party a right to terminate this Agreement under Section 8.1 of this Agreement, and (B) of which the Indemnified Party had Knowledge before the Closing, whether pursuant to a notice delivered under Section 6.6 or otherwise.

Section 9.3 Procedures. Any Indemnified Party shall notify the Indemnifying Party (with reasonable detail) promptly after it becomes aware of facts supporting a claim or action for which indemnification is provided under this Article IX, and shall provide to the Indemnifying Party as soon as practicable thereafter all reasonably available information and documentation necessary to support and verify any Losses associated with such claim or action. Subject to Section 9.2(c)(v), the failure to so notify or provide information to the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except to the extent that the Indemnifying Party demonstrates that it has been materially prejudiced by the Indemnified Party's failure to give such notice, in which case the Indemnifying Party shall be relieved from its obligations hereunder to the extent of such material prejudice. The Indemnifying Party shall participate in and defend, contest or otherwise protect the Indemnified Party against any such claim or action by counsel of the Indemnifying Party's choice at its sole cost and expense; *provided*, *however*, that the Indemnifying Party shall not make any settlement or compromise without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed) unless the sole relief provided is monetary damages that are paid in full by the Indemnifying Party, there is no admission or statement of fault or culpability on the part of the Indemnified Party and there is an unconditional release of the Indemnified Party from all liability on any claims that are the subject of such claim or action. The Indemnified Party shall use commercially reasonable efforts upon the reasonable request of the Indemnifying Party to cooperate with and assist the Indemnifying Party in defending, contesting, or otherwise protecting the Indemnified Party against any suit, action, investigation, claim, or proceeding in connection with which a claim for indemnification is made. The Indemnified Party shall have the right, but not the obligation, to participate at its own expense in the defense thereof by counsel of the Indemnified Party's choice; *provided*, *however*, that the Indemnifying Party shall pay the fees and expenses of separate counsel for the Indemnified Party if (a) the Indemnifying Party has agreed to pay such fees and expenses, or (b) counsel for the Indemnifying Party reasonably determines that representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest. If the Indemnifying Party fails timely to defend, contest or otherwise protect against such suit, action, investigation, claim or proceeding, the Indemnified Party shall have the right to do so, including, without limitation, the right to make any compromise or settlement thereof, and the Indemnified Party shall be entitled to recover the entire cost thereof from the Indemnifying

Party, including, without limitation, reasonable attorneys' fees, disbursements and amounts paid as the result of such suit, action, investigation, claim or proceeding.

Section 9.4 No Speculative Damages. In no event shall any Party be liable for (and the term Losses shall exclude) any Loss that results from any untrue representation or warranty in this Agreement or a breach by any Party of any provision of this Agreement or the other Transaction Documents or related hereto or thereto that is not within the reasonable contemplation of the Parties as of the date hereof as a probable and reasonably foreseeable result of that untruth or breach.

Section 9.5 Compliance With Express Negligence Rule. TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RELEASES, DISCLAIMERS, LIMITATIONS ON LIABILITY, AND INDEMNITIES IN THIS AGREEMENT, INCLUDING THOSE IN THIS ARTICLE VIII, SHALL APPLY EVEN IN THE EVENT OF THE SOLE, JOINT, AND/OR CONCURRENT NEGLIGENCE, STRICT LIABILITY, OR OTHER FAULT OF THE PARTY WHOSE LIABILITY IS RELEASED, DISCLAIMED, LIMITED, OR INDEMNIFIED.

Section 9.6 Remedy. The Parties agree that equitable relief for matters arising under this Agreement after Closing is only available to the extent provided for in Section 6.7(c) or in Section 10.10. Except for actions involving fraud or intentional misrepresentation, and for equitable relief as provided in the preceding sentence, from and after the Closing the sole remedy of a Party in connection with matters arising under this Agreement shall, in each case, be indemnification under and as set forth in this Article IX.

Section 9.7 Tax Treatment Of Indemnity Payments. Each Party, to the extent permitted by applicable Law, agrees to treat any payments made pursuant to this Article IX as adjustments to the Purchase Price for all federal and state income and franchise Tax purposes.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1 Publicity. On or prior to the Closing Date, no Party shall, nor shall it permit its Affiliates to, issue or cause the publication of any press release or other announcement with respect to this Agreement or the transactions contemplated hereby without the consent of the other Parties. Each Party hereby agrees to the form of press releases announcing this transaction exchanged prior to the Execution Date. Notwithstanding the foregoing, in the event any such press release or announcement is required by Law or stock exchange rule to be made by the Party proposing to issue the same, such Party may issue or cause publication thereof without consent of the other Parties, but shall use its commercially reasonable efforts to consult in good faith with the other Parties prior to such issuance or publication.

Section 10.2 Successors And Assigns; Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and permitted assigns; *provided*, *however*, that no Party shall assign or delegate any of its rights or obligations created under this Agreement without the prior written consent of the other Parties. Except as contemplated by Section 6.9 or by Article IX, nothing in this Agreement shall confer

upon any Person not a party to this Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

Section 10.3 Fees And Expenses. Except as otherwise expressly provided in this Agreement, all legal, accounting, financial advisory and other fees, costs and expenses of a Party incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such fees, costs or expenses.

Section 10.4 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made if delivered personally or sent by overnight courier or sent by facsimile (with evidence of confirmation of receipt) to the Parties at the following addresses:

(a) If to Buyer, to:

Vanguard Natural Gas LLC
5847 Fan Felipe, Suite 3000
Houston, Texas 77057
Facsimile: (832) 327-2260
Attention: Scott W. Smith

with a copy to:

Vinson & Elkins L.L.P.
2500 First City Tower
1001 Fannin
Houston, Texas 77002
Facsimile: (713) 615-5956
Attention: David P. Oelman and
Stephen M. Gill

If to the Selling Parties, to:

Denbury Resources Inc.
5100 Tennyson Parkway, Suite 1200
Plano, Texas 75024
Facsimile: 972-673-2051
Attention: Phil Rykhoek

with a copy to:

Baker Hostetler LLP
1000 Louisiana, Suite 2000
Houston, Texas 77002
Facsimile: (713) 751-1717
Attention: Donald W. Brodsky

or to such other Persons or at such other addresses as shall be furnished by any Party by like notice to the other Party, and such notice or communication shall be deemed to have been given or made as of the date so delivered or mailed. No change in any of such addresses shall be effective insofar as notices under this Section 10.4 are concerned unless such changed address is located in the United States of America and notice of such change shall have been given to such other Party as provided in this Section 10.4.

Section 10.5 Entire Agreement. This Agreement, together with the Schedules and the Exhibits hereto, and the other Transaction Documents, represent the entire agreement and understanding of the parties with reference to the transactions set forth herein and therein and no representations or warranties have been made in connection herewith and therewith other than those expressly set forth herein or therein. This Agreement, together with the Schedules and the Exhibits hereto, and the other Transaction Documents, supersede all prior negotiations, discussions, correspondence, communications, understandings and agreements between the parties relating to the subject matter hereof or thereof and all prior drafts of such documents, all of which are merged into such documents. No prior drafts of such documents and no words or phrases from any such prior drafts shall be admissible into evidence in any action or suit involving such documents.

Section 10.6 Waivers and Amendments. The Selling Parties or Buyer may, by written notice to the other Party: (a) extend the time for the performance of any of the obligations or other actions of the other Party; (b) waive any inaccuracies in the representations or warranties of the other Party contained in this Agreement or in any document delivered pursuant to this Agreement by the other Party; (c) waive compliance with any of the covenants of the other Party contained in this Agreement; (d) waive performance of any of the obligations of the other Party created under this Agreement; or (e) waive fulfillment of any of the conditions to its own obligations under this Agreement or in any documents delivered pursuant to this Agreement by the other Party. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach, whether or not similar, unless such waiver specifically states that it is to be construed as a continuing waiver. This Agreement may be amended, modified or supplemented only by a written instrument executed by the Parties.

Section 10.7 Severability. This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of this Agreement or of any other term or provision hereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, the Parties shall negotiate in good faith to modify this Agreement to include a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

Section 10.8 Titles and Headings. The Article and Section headings and any table of contents contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 10.9 Signatures And Counterparts. Facsimile or electronic transmission of any signed original document and/or retransmission of any signed facsimile or electronic transmission shall be the same as delivery of an original. At the request of Buyer or the Selling

Parties, the Parties will confirm facsimile or electronic transmission by signing a duplicate original document. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Section 10.10 Enforcement Of The Agreement; Damages. Each of the Parties hereto acknowledges and agrees that in the event any covenant or obligation of the acknowledging Party to be performed after Closing is not performed in accordance with the specific terms of this Agreement or is otherwise breached, then the other Party shall be entitled to an injunction or injunctions to prevent such non-performance or breach and to specifically enforce the covenants and obligations of the acknowledging Party to be performed after Closing, in any courts of the State of Texas, and in the federal courts of the United States of America located in Harris County, Texas, in addition to any other remedy to which it may be entitled for such non-performance or breach.

Section 10.11 Governing Law. This Agreement shall be governed by and construed in accordance with the internal and substantive Laws of the State of Texas and without regard to any conflicts of Laws concepts that would apply the substantive Law of some other jurisdiction.

Section 10.12 Disclosure. Certain information set forth in the Schedules is included solely for informational purposes, is not an admission of liability with respect to the matters covered by the information, and may not be required to be disclosed pursuant to this Agreement. Disclosure of any item in any section of the Schedules shall serve to qualify the correspondingly numbered representation and warranty or covenant in this Agreement to the extent specified therein and any other representation and warranty or covenant only to the extent the applicability of such disclosure to such other representation and warranty or covenant is reasonably apparent to the non-disclosing party. The specification of any dollar amount in the representations and warranties contained in this Agreement or the inclusion of any specific item in the Schedules is not intended to imply that such amounts (or higher or lower amounts) or specific item are or are not material, and no party shall use the fact of the setting of such amounts or the fact of the inclusion of any such item in the Schedules in any dispute or controversy between the Parties as to whether any obligation, item, or matter not described herein or included in a Schedule is or is not material for purposes of this Agreement.

Section 10.13 Consent To Jurisdiction. To the fullest extent permitted by applicable Law, the Parties hereby irrevocably submit to the jurisdiction of the courts of the State of Texas, and of the federal courts of the United States of America located in Harris County, Texas, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby, and each Party irrevocably agrees that all claims in respect of such dispute or proceeding shall be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each Party agrees that a judgment in any dispute heard in the venue specified by this section may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 10.14 Waiver of Trial by Jury. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by Law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement.

Section 10.15 Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) references to Schedules and Exhibits refer to the Schedules and Exhibits attached to this Agreement, each of which is made a part hereof for all purposes; (d) the terms "include", "includes", "including" and words of like import shall be deemed to be followed by the words "without limitation"; (e) the terms "hereof," "herein" and "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement; and (f) references to money refer to legal currency of the United States of America. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE XI
DEFINITIONS

For purposes of this Agreement, the term:

Section 11.1 "**2010 Form 10K**" has the meaning assigned to such term in Section 6.14(g).

Section 11.2 "**Accelerated Income Tax**" means the amount of federal, state and local income tax on allocations to the Selling Parties of income or gain pursuant to Section 704(c) of the Code with respect to the built-in gain in the Contributed Subject Common Units at the time of the Closing that results from a sale, transfer or other disposition of (i) the Contributed Subject Common Units by the Buyer or (ii) the Partnership's underlying assets by the Partnership; provided however, that Accelerated Income Tax does not include a continuation of the existing built-in gain upon a subsequent contribution to a partnership.

Section 11.3 "**Administrative Services Agreement**" has the meaning assigned to such term in Section 6.10(a).

Section 11.4 "**AE**" has the meaning assigned to such term in Section 5.1(a).

Section 11.5 "**Affiliate**" or "**Affiliates**" of a Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first- mentioned Person. From and after Closing, ENP GP and the Partnership Entities will not be Affiliates of the Selling Parties.

Section 11.6 "**Agreement**" has the meaning assigned to such term in the Preamble.

Section 11.7 "**Bidder Confidentiality Agreements**" has the meaning assigned to such term in Section 6.7(b).

Section 11.8 "**Breach**" means any matter, fact or circumstance that constitutes a breach by a Party of any representation, warranty, agreement, obligation, or covenant of such Party contained in this Agreement.

Section 11.9 "**Business Day**" means any day of the year on which national banking institutions in Texas are open to the public for conducting business and are not required or authorized to close.

Section 11.10 "**Buyer**" has the meaning assigned to such term in the Preamble.

Section 11.11 "**Buyer Indemnified Parties**" has the meaning assigned to such term in Section 9.2(a).

Section 11.12 "**Buyer Representatives**" has the meaning assigned to such term in Section 6.2(a).

Section 11.13 "**Buyer Unknown Matter Breach**" has the meaning assigned to such term in Section 8.2(b).

Section 11.14 "**Cap**" has the meaning assigned to such term in Section 9.2(c)(i).

Section 11.15 "**Cash Portion**" has the meaning assigned to such term in Section 1.3.

Section 11.16 "**Closing**" has the meaning assigned to such term in Section 1.1(b).

Section 11.17 "**Closing Date**" has the meaning assigned to such term in Section 1.1(b).

Section 11.18 "**Code**" means the Internal Revenue Code of 1986, as amended.

Section 11.19 "**Common Units**" has the meaning assigned to such term in the Recitals.

Section 11.20 "**Competing Transaction**" has the meaning assigned to such term in Section 6.11.

Section 11.21 "**Company Marks**" has the meaning assigned to such term in Section 6.14(f).

Section 11.22 "**Confidentiality Agreement**" means that certain Bidder Confidentiality Agreement between Parent and Vanguard Natural Resources, LLC dated September 8, 2010.

Section 11.23 "**Contributed Subject Common Units**" has the meaning assigned to such term in Section 1.2(a)(ii).

Section 11.24 "**D&M**" has the meaning assigned to such term in Section 5.13(a).

Section 11.25 "**Deductible**" has the meaning assigned to such term in Section 9.2(c)(iii).

Section 11.26 "**Delaware LLC Act**" has the meaning assigned to such term in Section 2.5(a).

Section 11.27 "**Delaware LP Act**" has the meaning assigned to such term in Section 2.5(c).

Section 11.28 "**Denbury Credit Agreement**" means the Credit Agreement among Denbury Resources Inc., et al, and JPMorgan Chase Bank, N.A., et al, dated as of March 9, 2010, as amended.

Section 11.29 "**Denbury Lender Consent**" has the meaning assigned to such term in Section 2.3.

Section 11.30 "**Deposit**" has the meaning assigned to such term in Section 1.4.

Section 11.31 "**Derivative Transactions**" has the meaning assigned to such term in Section 3.17.

Section 11.32 "**Employee Plans**" means any "employee benefit plan," as defined under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any other bonus, pension, stock/unit option, stock/unit purchase, benefit, welfare, profit-sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation and other similar fringe or employee benefit plans, funds, programs or arrangement, whether written or oral.

Section 11.33 "**Encumbrances**" has the meaning assigned to such term in Section 1.1(a).

Section 11.34 "**ENP GP**" has the meaning assigned to such term in the Recitals.

Section 11.35 "**ENP GP LLC Agreement**" has the meaning assigned to such term in Section 1.1.

Section 11.36 "**ENP GP Plans**" has the meaning assigned to such term in Section 3.14(d).

Section 11.37 "**Environmental Laws**" means collectively, all applicable federal, state and local laws (including common law), ordinances, rules and regulations relating to the prevention of pollution, remediation of contamination or restoration of environmental quality, protection of human health or the environment (including natural resources), or workplace health and safety, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Oil Pollution Act of 1990, 33 U.S.C.§ 2701, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629, the Emergency Planning and Community Right to Know Act, 42 U.S.C. § 11001 et seq., the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j, and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; in each case, as amended and the regulations promulgated pursuant thereto and as each is in effect on the date of this Agreement.

Section 11.38 "**Equity Portion**" has the meaning assigned to such term in Section 1.3.

Section 11.39 "**Equity Portion Consideration Common Units**" has the meaning assigned to such term in Section 1.5(a).

Section 11.40 "**ERISA**" has the meaning assigned to such term in the definition of " Employee Plans."

Section 11.41 "**ERISA Affiliate**" has the meaning assigned to such term in Section 2.12(a).

Section 11.42 "**Escrow Agent**" has the meaning assigned to such term in Section 1.4.

Section 11.43 "**Escrow Agreement**" has the meaning assigned to such term in Section 1.4.

Section 11.44 "**Exchange Act**" has the meaning assigned to such term in Section 3.6.

Section 11.45 "**Execution Date**" has the meaning assigned to such term in the preamble.

Section 11.46 "**GAAP**" means generally accepted accounting principles at the time.

Section 11.47 "**GP Holdings**" has the meaning assigned to such term in the Preamble.

Section 11.48 "**Governmental Authority**" means any foreign, federal, tribal, state or local government, court, agency or commission or other governmental or regulatory body or authority or of any arbitrator.

Section 11.49 "**GP Units**" has the meaning assigned to such term in the Recitals.

Section 11.50 "**Hazardous Material**" shall mean any substance that, by its nature or its use, is regulated or as to which liability might arise under any Environmental Law including any: (a) chemical, product, material, substance or waste defined as or included in the definition of "hazardous substance," "hazardous material," "hazardous waste," "restricted hazardous waste," "extremely hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," toxic substance," "toxic pollutant," "contaminant," "pollutant," or words of similar meaning or import found in any Environmental Law; (b) petroleum hydrocarbons, petroleum products, petroleum substances, natural gas, crude oil, or any components, fractions, or derivatives thereof; and (c) asbestos containing materials, polychlorinated biphenyls, radioactive materials, urea formaldehyde foam insulation, or radon gas.

Section 11.51 "**HSR Act**" has the meaning assigned to such term in Section 6.3(b).

Section 11.52 "**Hydrocarbons**" means oil, condensate, gas, casinghead gas and other liquid or gaseous hydrocarbons.

Section 11.53 "**Indemnified Party**" has the meaning assigned to such term in Section 9.2(c)(iv).

Section 11.54 "**Indemnified Persons**" has the meaning assigned to such term in Section 6.9(a).

Section 11.55 "**Indemnifying Party**" has the meaning assigned to such term in Section 9.2(c)(iv).

Section 11.56 "**Interest on Accelerated Income Tax**" means an amount of interest equal to three percent (3%) of the Accelerated Income Tax accruing from the time of a sale, transfer or other conveyance of the Contributed Subject Common Units by the Buyer until the earlier to occur of (i) Selling Parties dispose of all of their Vanguard Common Units acquired under this Agreement or (ii) eighteen (18) months following the Closing Date

Section 11.57 "**Knowledge of the Buyer**" means matters, facts or circumstances that Scott Smith, Richard Robert or Britt Pence are aware of (without a duty of inquiry) either because such matters, facts or circumstances were disclosed to them or otherwise brought to their attention in their capacities as members of management of Vanguard.

Section 11.58 "**Knowledge of the Selling Parties**" means matters, facts or circumstances that Mark Allen, Tracy Evans, Phil Rykhoek, Robert Cornelius, Ray Dubuisson or Tim Haus are aware of (without a duty of inquiry) either because such matters, facts or circumstances were disclosed to them or otherwise brought to their attention in their capacities as members of management of the Selling Parties, or in the case of Mr. Dubuisson in his capacity as Vice President, Legal of Parent.

Section 11.59 "**Law**" has the meaning assigned to such term in Section 2.3.

Section 11.60 "**Legal Proceeding**" has the meaning assigned to such term in Section 2.8.

Section 11.61 "**Lock-up Period**" has the meaning assigned to such term in Section 1.5(a).

Section 11.62 "**Loss**" or "**Losses**" has the meaning assigned to such term in Section 9.2(a).

Section 11.63 "**LP Holdings**" has the meaning assigned to such term in the Preamble.

Section 11.64 "**Material Adverse Effect**" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), assets, properties, business, operations or results of operations of ENP GP or the Partnership Entities, that is material and adverse to the Partnership Entities, taken as a whole, or material and adverse to ENP GP, or that materially and adversely affects the ability of the Selling Parties to consummate the transactions contemplated hereby; it being understood that none of the following shall be deemed to constitute a Material Adverse Effect: any effect resulting from (a) entering into, or the announcement of the transactions contemplated by, this Agreement, (b) changes in oil and gas prices, including changes in price differentials, (c) changes in general economic conditions in the industry in which any of the Partnership Entities operates, or (d) changes in the United States or global economy as a whole, unless in the case of clauses (b) — (d) above such change has a disproportionately adverse effect on the Partnership Entities or ENP GP relative to other participants in the industry or industries in which ENP and the Partnership Entities operate.

Section 11.65 "**Member Interests**" has the meaning assigned to such term in the Recitals.

Section 11.66 "**Member Interests Bill of Sale**" has the meaning assigned to such term in Section 1.2(a)(i).

Section 11.67 "**NSAI**" the meaning assigned to such term in Section 5.13(a).

Section 11.68 "**Notification**" has the meaning assigned to such term in Sections 6.6(a) and (b).

Section 11.69 "**Oil and Gas Properties**" means all interests in and rights with respect to oil, gas, mineral, and similar properties of any kind and nature, including working, leasehold and mineral interests and operating rights and royalties, overriding royalties, production payments, net profit interests and other non-working interests and non-operating interests (including all oil and gas leases, operating agreements, unitization and pooling agreements and orders, division orders, transfer orders, mineral deeds, royalty deeds, and in each case, interests thereunder), surface interests, fee interests, reversionary interests, reservations, and concessions).

Section 11.70 "**Operating**" has the meaning assigned to such term in the Preamble.

Section 11.71 "**Organizational Documents**" means with respect to any entity, the certificate of incorporation, by-laws, certificate of formation, limited liability company operating agreement, partnership or limited partnership agreement or other formation or governing documents of a such entity.

Section 11.72 "**Outside Date**" has the meaning assigned to such term in Section 8.1(f).

Section 11.73 "**Parent**" has the meaning assigned to such term in the Preamble.

Section 11.74 "**Parties**" or "**Party**" has the meaning assigned to such term in the Preamble.

Section 11.75 "**Partnership**" has the meaning assigned to such term in the Recitals.

Section 11.76 "**Partnership Agreement**" means the Second Amended and Restated Agreement of Limited Partnership of the Partnership dated as of September 17, 2007, which amends and restates in its entirety the Agreement of Limited Partnership dated as of February 13, 2007, which was amended and restated by the First Amended and Restated Agreement of Limited Partnership dated as of May 10, 2007.

Section 11.77 "**Partnership Bank Waivers**" has the meaning assigned to such term in Section 6.12.

Section 11.78 "**Partnership Credit Agreement**" means the Credit Agreement entered into as of March 7, 2007, among Encore Energy Partners Operating LLC, as the Borrower, the Partnership, as a Guarantor, each lender from time to time a party thereto, and Bank of America, N.A., as the Administrative Agent, as it may have been amended from time to time.

Section 11.79 "**Partnership Entities**" has the meaning assigned to such term in Section 3.5.

Section 11.80 "**Partnership Entities Records**" has the meaning assigned to such term in Section 6.16.

Section 11.81 "**Partnership Lenders**" has the meaning assigned to such term in Section 6.12.

Section 11.82 "**Partnership Material Contracts**" has the meaning assigned to such term in Section 3.18(a).

Section 11.83 "**Partnership Oil and Gas Agreements**" has the meaning assigned to such term in Section 3.15(a).

Section 11.84 "**Partnership Plans**" has the meaning assigned to such term in Section 3.14(b).

Section 11.85 "**Partnership Reserve Report**" has the meaning assigned to such term in Section 3.15(b).

Section 11.86 "**Partnership SEC Reports**" the meaning assigned to such term in Section 3.6.

Section 11.87 "**Percentage Interest**" has the meaning assigned to such term in the Partnership Agreement.

Section 11.88 "**Permian**" the meaning assigned to such term in Section 5.1(a).

Section 11.89 "**Permitted Encumbrances**" means:

(a) to the extent waived prior to Closing, preferential purchase rights and rights of first refusal;

(b) inchoate mechanics' and materialmens' liens for amounts not yet delinquent and liens for Taxes or assessments that are not yet delinquent or, in all instances, if delinquent, that are being contested in good faith in the ordinary course of business and for which adequate reserves have been established by the party responsible for payment thereof;

(c) liens arising under operating agreements or sales, processing, gathering, storage and transportation contracts securing amounts not yet delinquent, or if delinquent, that are being contested in good faith in the ordinary course of business and for which adequate reserves have been established by the party responsible for payment thereof;

(d) easements, rights-of-way, servitudes, permits, surface leases and other rights in respect of surface operations, to the extent (a) shown of record in the jurisdiction where located and (b) valid and enforceable in accordance with the terms thereof;

(e) rights reserved to or vested in any governmental, statutory, municipal or public authority to control or regulate any of the Partnership Entities' properties or assets in any manner and all applicable laws, rules and orders of any Governmental Authority;

(f) all other liens, charges, encumbrances, defects and irregularities that are not such as to materially interfere with the operation, value or use of the property or asset affected; and

(g) such filings made with, or notices to, the Bureau of Ocean Energy Management, Regulation, and Enforcement and any other applicable Governmental Authority, as are customarily made after the transactions contemplated by this Agreement.

Section 11.90 "**Person**" means an individual, corporation, association, trust, limited liability company, limited partnership, limited liability partnership, partnership, incorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act).

Section 11.91 "**Plan Liability**" means any and all liabilities under (i) Title IV of ERISA, (ii) Section 302 of ERISA, (iii) Sections 412 and 4971 of the Code, (iv) the continuation coverage requirements of Section 601 et. seq. of ERISA and Section 4980B of the Code, or (v) any other provision of ERISA or the Code.

Section 11.92 "**Plans**" has the meaning assigned to such term in Section 3.14(d).

Section 11.93 "**Pre-Closing Period**" has the meaning assigned to such term in Section 6.8(b).

Section 11.94 "**Pre-Closing Period Return**" has the meaning assigned to such term in Section 6.8(b).

Section 11.95 "**Proceeding**" has the meaning assigned to such term in Section 6.9(a).

Section 11.96 "**Purchase Price**" has the meaning assigned to such term in Section 1.3.

Section 11.97 "**Registration Rights Agreement**" the meaning assigned to such term in Section 1.2(a)(vii).

Section 11.98 "**Release"** means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing into the indoor or outdoor environment.

Section 11.99 "**Resigning Director**" has the meaning assigned to such term in Section 6.15.

Section 11.100 "**Rights-of-Way**" has the meaning assigned to such term in Section 3.15(l).

Section 11.101 "**SEC**" has the meaning assigned to such term in Section 3.6.

Section 11.102 "**Second Amended and Restated Administrative Services Agreement** has the meaning assigned to such term in Section 1.2(a)(viii).

Section 11.103 "**Securities Act**" has the meaning assigned to such term in Section 3.6.

Section 11.104 "**Seller Indemnified Parties**" has the meaning assigned to such term in Section 9.2(b).

Section 11.105 "**Seller's Representatives**" has the meaning assigned to such term in Section 6.2(b).

Section 11.106 "**Selling Parties**" has the meaning assigned to such term in the Preamble.

Section 11.107 "**Selling Parties' Taxes**" means any federal, state or local income taxes payable with respect to (i) any taxable gain recognized upon the sale of the Member Interests or the Subject Common Units and (ii) the portion of any items of Partnership income loss deduction gain or credit properly allocable to the GP Units and the Subject Common Units attributable to any Pre-Closing Period and for the portion of any Straddle Period commencing on the beginning of such Straddle Period and ending on the Closing Date.

Section 11.108 "**Selling Parties Unknown Matter Breach**" has the meaning assigned to such term in Section 8.2(d).

Section 11.109 "**Solvent**" has the meaning assigned to such term in Section 2.10.

Section 11.110 "**Straddle Period**" has the meaning assigned to such term in Section 6.8(a).

Section 11.111 "**Straddle Period Return**" has the meaning assigned to such term in Section 6.8(a).

Section 11.112 "**Subject Common Units**" has the meaning assigned to such term in the Recitals.

Section 11.113 "**Subject Employees**" has the meaning assigned to such term in Section 2.12(b).

Section 11.114 "**Subsidiary**" when used with respect to any Party means any corporation or other organization of which such Party directly or indirectly owns at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization.

Section 11.115 "**Tax**" or "**Taxes**" has the meaning assigned to such term in Section 3.10(a).

Section 11.116 "**Tax Returns**" has the meaning assigned to such term in Section 3.10(a).

Section 11.117 "**TEC**" the meaning assigned to such term in Section 5.1(a).

Section 11.118 "**Transaction Documents**" means this Agreement and the other agreements, contracts, documents, instruments and certificates provided for in this Agreement to be entered into by one or more of the parties hereto or any of their Affiliates in connection with the transactions contemplated by this Agreement.

Section 11.119 "**Transfer Agent**" has the meaning assigned to such term in Section 1.2(a)(ii).

Section 11.120 "**Transfer Application**" means the form of transfer application included as part of Exhibit A to the Partnership Agreement.

Section 11.121 "**Transfer Taxes**" has the meaning assigned to such term in Section 6.8(d).

Section 11.122 "**Vanguard**" has the meaning assigned to such term in the Preamble.

Section 11.123 "**Vanguard Cap**" has the meaning assigned to such term in Section 9.2(c)(ii).

Section 11.124 "**Vanguard Common Units**" has the meaning assigned to such term in Section 1.2(c)(i).

Section 11.125 "**Vanguard Entities**" has the meaning assigned to such term in Section 5.1(b).

Section 11.126 "**Vanguard Material Adverse Effect**" means any change, effect, event or occurrence with respect to the condition (financial or otherwise), assets, properties, business, operations or results of operations of Vanguard or the Vanguard Entities, that is material and adverse to the Vanguard Entities, taken as a whole, or material and adverse to Vanguard, or that materially and adversely affects the ability of Buyer to consummate the transactions contemplated hereby; it being understood that none of the following shall be deemed to constitute a Material Adverse Effect: any effect resulting from (a) entering into, or the announcement of the transactions contemplated by, this Agreement, (b) changes in oil and gas prices, including changes in price differentials, (c) changes in general economic conditions in the industry in which any of the Vanguard Entities operates, or (d) changes in the United States or global economy as a whole, unless in the case of clauses (b) — (d) above such change has a disproportionately adverse effect on the Vanguard Entities or Vanguard relative to other participants in the industry or industries in which Vanguard and the Vanguard Entities operate.

Section 11.127 "**Vanguard Material Contracts**" has the meaning assigned to such term in Section 5.15(a).

Section 11.128 "**Vanguard SEC Reports**" has the meaning assigned to such term in Section 5.2(b).

Section 11.129 "**Vanguard Reserve Reports**" has the meaning assigned to such term in Section 5.13(a).

Section 11.130 "**VNG Credit Agreement**" means the Amended and Restated Credit Agreement, dated February 14, 2008, by and between Buyer (f/k/a Nomi Holding Company, LLC), Citibank N.A., as administrative agent and L/C issuer and the lender party thereto, as amended.

Section 11.131 "**VNR Finance**" has the meaning assigned to such term in Section 5.1(a).

Section 11.132 "**VNR Holdings**" has the meaning assigned to such term in Section 5.1(a).

Section 11.133 "**VNR LLC Agreement**" means the Second Amended and Restated Limited Liability Company Agreement of Vanguard dated as of October 29, 2007.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SELLING PARTIES:

DENBURY RESOURCES INC.

By: /s/ Phil Rykhoek
Name: Phil Rykhoek
Title: Chief Executive Officer

ENCORE PARTNERS GP HOLDINGS LLC

By: /s/ Phil Rykhoek
Name: Phil Rykhoek
Title: Chief Executive Officer

ENCORE PARTNERS LP HOLDINGS LLC

By: /s/ Phil Rykhoek
Name: Phil Rykhoek
Title: Chief Executive Officer

ENCORE OPERATING, L.P.

By: EAP Operating, LLC,
its general partner

By: /s/ Phil Rykhoek
Name: Phil Rykhoek
Title: Chief Executive Officer

BUYER: VANGUARD NATURAL GAS, LLC

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

VANGUARD: VANGUARD NATURAL RESOURCES, LLC

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

Exhibit 99.2

Execution Version

REGISTRATION RIGHTS AGREEMENT

among

VANGUARD NATURAL RESOURCES, LLC

and

ENCORE OPERATING, L.P.

dated as of December 31, 2010

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REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT**, dated as of December 31, 2010 (this "Agreement"), is entered into by and among VANGUARD NATURAL RESOURCES, LLC, a Delaware limited liability company ("Vanguard"), and Encore Operating, L.P., a Delaware limited partnership ("Denbury").

This Agreement is made in connection with the issuance of the Covered Common Units to Denbury pursuant to that certain Purchase Agreement dated as of November 16, 2010 (the "Purchase Agreement") by and among Denbury Resources Inc., a Delaware corporation, Encore Partners GP Holdings LLC, a Delaware limited liability company, Encore Partners LP Holdings LLC, a Delaware limited liability company, Encore Operating, L.P., a Texas limited partnership, Vanguard Natural Gas, LLC, a Kentucky limited liability company and Vanguard. Vanguard and Denbury have agreed to enter into this Agreement pursuant to Section 1.2 of the Purchase Agreement in connection with Buyer's election to provide for an Equity Portion of the Purchase Price in accordance with Section 1.3(a) of the Purchase Agreement.

In consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. As used in this Agreement, the following terms have the meanings indicated:

"Agreement" shall have the meaning specified in the introductory paragraph of this Agreement.

"Commission" means the Securities and Exchange Commission or any successor governmental authority.

"Common Units" means common units representing limited liability company interests in Vanguard.

"Covered Common Units" means the 3,137,255 common units representing limited partner interests in Vanguard issued to Denbury pursuant to the Purchase Agreement.

"Denbury" shall have the meaning specified in the introductory paragraph of this Agreement.

"Effective Date" means, with respect to a particular Shelf Registration Statement, the date of effectiveness of such Shelf Registration Statement.

"Effectiveness Period" shall have the meaning specified in Section 2.01(a) of this Agreement.

"Exchange Act"means the Securities and Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder of the Commission, all as shall be in effect at the time of the determination.

"Filing Date" shall have the meaning specified in Section 2.01(a) of this Agreement.

"Holder" means a record holder of Registrable Securities.

"Included Registrable Securities" shall have the meaning specified in Section 2.02(a) of this Agreement.

"Liquidated Damages" shall have the meaning specified in Section 2.01(c) of this Agreement.

"Liquidated Damages Cap" shall have the meaning specified in Section 2.01(d) of this Agreement.

"Losses" shall have the meaning specified in Section 2.08(a) of this Agreement.

"Managing Underwriter" means, with respect to any Underwritten Offering, the book running lead manager of such Underwritten Offering.

"NYSE" means the New York Stock Exchange.

"Opt-Out Notice" shall have the meaning specified in Section 2.02(a).

"Other Holder" shall have the meaning specified in Section 2.02(b) of this Agreement.

"Piggyback Offering" shall have the meaning specified in Section 2.02(a) of this Agreement.

"Primary Offering" shall have the meaning specified in Section 2.04(n) of this Agreement.

"Purchase Agreement" shall have the meaning specified in the recitals of this Agreement.

"Registrable Securities" means the Covered Common Units until such time as such securities cease to be Registrable Securities pursuant to Section 1.02 of this Agreement.

"Registration Expenses" shall have the meaning specified in Section 2.07(a) of this Agreement.

"Selling Expenses" shall have the meaning specified in Section 2.07(a) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities under a registration statement pursuant to the terms of this Agreement.

"Shelf Registration Statement" means a registration statement under the Securities Act to permit the public resale of the Registrable Securities from time to time as permitted by Rule 415 of the Securities Act (or any similar provision then in force under the Securities Act).

"Securities Act" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder of the Commission, all as shall be in effect at the time of the determination.

"Underwritten Offering" means an offering by Vanguard (including an offering pursuant to a Shelf Registration Statement) in which Common Units are sold to an underwriter on a firm commitment basis for reoffering to the public or an offering that is a "bought deal" with one or more investment banks.

"Unit Purchase Price" means $25.50 per Common Unit.

"Vanguard" shall have the meaning specified in the introductory paragraph of this Agreement.

Section 1.02 Registrable Securities. Any Registrable Security will cease to be a Registrable Security at the earliest of the following: (a) when a registration statement covering such Registrable Security becomes or has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such registration statement; (b) when such Registrable Security has been disposed of pursuant to Rule 144 (or any similar provision then in force) under the Securities Act; (c) when such Registrable Security is held by Vanguard or one of its subsidiaries; (d) when such Registrable Security has been sold in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of such securities pursuant to the terms of this Agreement; and (e) three (3) years from the Effective Date of the registration statement relating to such Registrable Securities.

ARTICLE II
REGISTRATION RIGHTS

Section 2.01 Shelf Registration.

(a) *Shelf Registration*. At any time following July 31, 2011, as soon as practicable and in any event within 30 days following Vanguard's receipt of written notice from the Holders of a majority of the Registrable Securities then outstanding requesting the filing of a Shelf Registration Statement, Vanguard shall use its reasonable best efforts to prepare and file a Shelf Registration Statement under the Securities Act covering Registrable Securities then outstanding. Vanguard shall use its reasonable best efforts to cause a Shelf Registration Statement to become effective no later than 120 days after the date of the filing

of such Shelf Registration Statement (the "Filing Date"). A Shelf Registration Statement filed pursuant to this Section 2.01(a) shall be on such appropriate registration form of the Commission as shall be selected by Vanguard. Vanguard will use its reasonable best efforts to cause a Shelf Registration Statement filed pursuant to this Section 2.01(a) to be continuously effective, supplemented and amended to the extent necessary to ensure that it is available for resale of the Registrable Securities by the Holders and that it conforms in all material respects with the requirements of the Securities Act, in each case during the entire period until the earliest date on which any of the following occurs: (i) all Registrable Securities covered by such Shelf Registration Statement have been distributed in the manner set forth and as contemplated in such Shelf Registration Statement, (ii) there are no longer any Registrable Securities outstanding and (iii) three (3) years from the Effective Date of such Shelf Registration Statement (the " Effectiveness Period"). Vanguard shall ensure that a Shelf Registration Statement when it becomes or is declared effective (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (and, in the case of any prospectus contained in such Shelf Registration Statement, in the light of the circumstances under which a statement is made). As soon as practicable following the Effective Date of a Shelf Registration Statement, but in any event within three (3) Business Days of such date, Vanguard will notify the Selling Holders of the effectiveness of such Shelf Registration Statement.

(b) *Maximum Shelf Registration Requests; Delay Rights* .

(i) Notwithstanding anything to the contrary contained in this Agreement, Vanguard shall not be obligated to file or effect more than two (2) Shelf Registration Statements pursuant to Section 2.01 of this Agreement.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Vanguard may, upon written notice to any Selling Holder whose Registrable Securities are included in a Shelf Registration Statement, suspend such Selling Holder's use of any prospectus that is a part of such Shelf Registration Statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to the Shelf Registration Statement) if (A) Vanguard is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and Vanguard determines in good faith that Vanguard's ability to pursue or consummate such a transaction would be materially and adversely affected by any required disclosure of such transaction in the Shelf Registration Statement or (B) Vanguard has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of Vanguard, would materially and adversely affect Vanguard; provided, however, that in no event shall the Selling Holders be suspended from selling Registrable Securities pursuant to the Shelf Registration Statement for a period that exceeds an aggregate of forty-five (45) days in any one hundred-eighty (180) day period or sixty (60) days (exclusive of days covered by any lock-up agreement executed by a Selling Holder in connection with any Underwritten Offering by Vanguard) in any 365 day period. Upon

disclosure of such information or the termination of the conditions described above, Vanguard shall provide prompt notice to the Selling Holders whose Registrable Securities are included in the Shelf Registration Statement, and shall promptly terminate any suspension of sales it has put into effect and shall take such other actions necessary or appropriate to permit registered sales of Registrable Securities as contemplated in this Agreement.

(c) *Failure To Become Effective*. If a Shelf Registration Statement required by Section 2.01(a) does not become or is not declared effective within 120 days after its Filing Date, then each Selling Holder shall be entitled to a payment (with respect to each Registrable Security held by the Selling Holder), as liquidated damages and not as a penalty, of 0.25% per annum of the Unit Purchase Price for the first 30-day period immediately following the 120th day after the Filing Date, with such payment amount increasing by an additional 0.25% per annum of the Unit Purchase Price for each subsequent 30-day period, up to a maximum of 2.00% per annum of the Unit Purchase Price (the " Liquidated Damages"), until such time as such Shelf Registration Statement becomes effective or is declared effective or the Registrable Securities covered by such Shelf Registration Statement are no longer outstanding.

(d) *General*. The Liquidated Damages shall be paid to each Selling Holder in cash within ten (10) Business Days of the end of each such 30-day period. Any payments made pursuant to this Section 2.01(d) shall constitute the Selling Holders' exclusive remedy for such events. The Liquidated Damages imposed hereunder shall be paid to the Selling Holders in immediately available funds. In no event will the aggregate amount of Liquidated Damages paid to the Selling Holders exceed 6% of the aggregate value of the Equity Portion of the Purchase Price (the " Liquidated Damages Cap"). If Vanguard certifies that it is unable to pay the Liquidated Damages in cash because such payment would result in a breach under any of Vanguard's or Vanguard's Subsidiaries' credit facilities filed as exhibits to the Vanguard SEC Documents, then Vanguard may pay the Liquidated Damages in kind in the form of the issuance of additional Common Units. Upon any issuance of Common Units as Liquidated Damages, Vanguard shall promptly prepare and file an amendment to the applicable Shelf Registration Statement prior to its effectiveness adding such Common Units to such Shelf Registration Statement as additional Registrable Securities. The determination of the number of Common Units to be issued as the Liquidated Damages shall be equal to such amounts divided by the volume weighted average price of Vanguard's Common Units on NASDAQ for the five (5) consecutive trading days ending on the last trading day ending before the date on which the Liquidated Damages payment is due. In addition to being subject to the Liquidated Damages Cap, the payment of Liquidated Damages to a Selling Holder shall cease at such time as the Registrable Securities of such Selling Holder become eligible for resale without limitation as to volume under Rule 144 of the Securities Act.

Section 2.02 Piggyback Rights.

(a) *Participation*. If at any time during the Effectiveness Period Vanguard proposes to file a prospectus supplement to an effective shelf registration statement, other than a Shelf Registration Statement contemplated by Section 2.01, for the sale of Common Units in an Underwritten Offering for its own account, then, as soon as practicable but not less than

five (5) Business Days prior to the filing of (A) any preliminary prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) of the Securities Act or (B) the prospectus supplement relating to such Underwritten Offering pursuant to Rule 424(b) of the Securities Act (if no preliminary prospectus supplement is used), Vanguard shall give notice of such proposed Underwritten Offering to the Holders and such notice shall offer the Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities (the " Included Registrable Securities") as each such Holder may request in writing (a "Piggyback Offering"), up to an aggregate of fifteen percent of the total number of Common Units to be offered and sold using the prospectus supplement; provided, however, that Vanguard shall not be required to offer such opportunity to Holders if (aa) the Underwritten Offering is a "bought deal" or "overnight marketed offering," (bb) the Holders do not offer a minimum of $15 million of Registrable Securities, in the aggregate (determined by multiplying the number of Registrable Securities held by the participating Holdings by the volume weighted average closing price on the NYSE for Common Units for the five (5) consecutive trading days ending on the last trading day ending before the date of such notice) or (cc) Vanguard has been advised by the Managing Underwriter that the inclusion of Registrable Securities for sale for the benefit of the Holders will have an adverse effect on the price, timing or distribution of the Common Units, in which case the amount of Registrable Securities to be offered for the accounts of participating Holders shall be determined based on the provisions of Section 2.02(b) of this Agreement. Each Holder shall keep any information relating to any such Underwritten Offering confidential and shall not disseminate or in any way disclose such information. Each Holder shall then have three (3) Business Days from the date of such notice to request inclusion of its Registrable Securities in the Piggyback Offering. If no request for inclusion from a Holder is received within the specified time, such Holder shall have no further right to participate in such Piggyback Offering. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, Vanguard shall determine for any reason not to undertake or to delay such Underwritten Offering, Vanguard may, at its election, give written notice of such determination to the Selling Holders and, (x) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (y) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities for the same period as the delay of the Underwritten Offering. Any Selling Holder shall have the right to withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such Underwritten Offering by giving written notice to Vanguard of such withdrawal at least one (1) Business Day prior to the time of the public announcement of Vanguard's intention to conduct such Underwritten Offering. Each Holder's rights under this Section 2.02(a) shall terminate when such Holder holds less than $10 million of Registrable Securities (based on the Unit Purchase Price). Notwithstanding the foregoing, any Holder may deliver written notice (an " Opt-Out Notice") to Vanguard requesting that such Holder not receive notice from Vanguard of any proposed Underwritten Offering; provided, however, that such Holder may later revoke any such Opt-Out Notice in writing.

(b) *Priority of Piggyback Rights*. In connection with an Underwritten Offering contemplated by Section 2.02(a) that involves a Piggyback Offering, if the Managing Underwriter or Underwriters of such proposed Underwritten Offering advises Vanguard that the total amount of Common Units that the Selling Holders and any other Persons intend to include in such Underwritten Offering exceeds the number that can be sold in such Underwritten Offering without being likely to have an adverse effect on the price, timing or distribution of the Common Units offered or the market for the Common Units, then the Common Units to be included in such Underwritten Offering shall include the number of Common Units that such Managing Underwriter or Underwriters advises Vanguard can be sold without having such adverse effect, with such number to be allocated (i) first to Vanguard, (ii) second pro rata among the Selling Holders and any other Persons who have been or are granted registration rights on or after the date of this Agreement who have requested participation in the Piggyback Offering (the "Other Holders") based, for each such Selling Holder or Other Holder, on the percentage derived by dividing (A) the number of Common Units proposed to be sold by such Selling Holder(s) or such Other Holder in such Piggyback Offering; by (B) the aggregate number of Common Units proposed to be sold by all Selling Holders and all Other Holders in the Piggyback Offering.

Section 2.03 Termination. This Agreement, and the rights and obligations of the parties hereunder, shall terminate on the earlier to occur of:

(a) The failure of Denbury to perform and comply in all material respects with all covenants and agreements contained in Section 1.5 of the Purchase Agreement; and

(b) The fifth anniversary of the Closing Date (as defined in the Purchase Agreement).

Section 2.04 Sale Procedures. In connection with its obligations under this Article II, Vanguard will, as expeditiously as possible:

(a) prepare and file with the Commission such amendments and supplements to a Shelf Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Shelf Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Shelf Registration Statement;

(b) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing a Shelf Registration Statement or any other registration statement contemplated by this Agreement or any supplement or amendment thereto, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the Commission), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing such Shelf Registration Statement or such other registration statement and the prospectus included therein or any supplement or amendment

thereto, and (ii) an electronic copy of such Shelf Registration Statement or such other registration statement and the prospectus included therein and any supplements and amendments thereto in order to facilitate the public sale or other disposition of the Registrable Securities covered by such Shelf Registration Statement or other registration statement;

(c) if applicable, use its commercially reasonable efforts to register or qualify the Registrable Securities covered by a Shelf Registration Statement or any other registration statement contemplated by this Agreement under the securities or "blue sky" laws of all applicable jurisdictions as the Selling Holders shall reasonably request; provided, however, that Vanguard shall not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(d) immediately notify each Selling Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the filing of a Shelf Registration Statement or any other registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Shelf Registration Statement or any other registration statement or any post-effective amendment thereto, when the same has become effective; and (ii) the receipt of any written comments from the Commission with respect to any filing referred to in clause (i) and any written request by the Commission for amendments or supplements to such Shelf Registration Statement or any other registration statement or any prospectus or prospectus supplement thereto;

(e) immediately notify each Selling Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in a Shelf Registration Statement or any other registration statement contemplated by this Agreement, as then in effect, or any supplemental amendment thereto, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; (ii) the issuance or threat of issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or any other registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by Vanguard of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, Vanguard agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(f) furnish to each Selling Holder, subject to appropriate confidentiality obligations, copies of any and all transmittal letters or other correspondence with the

Commission or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering of Registrable Securities;

(g) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(h) cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system, if any, on which similar securities issued by Vanguard are then listed;

(i) use its reasonable best efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Vanguard to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(j) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(k) take such other actions as are reasonably requested by the Selling Holders to expedite or facilitate the disposition of such Registrable Securities.

Each Selling Holder, upon receipt of notice from Vanguard of the happening of any event of the kind described in subsection (e) of this Section 2.04, shall forthwith discontinue disposition of the Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subsection (e) of this Section 2.04 or until it is advised in writing by Vanguard that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by Vanguard, such Selling Holder will deliver to Vanguard all copies in their possession or control, other than permanent file copies then in such Selling Holder's possession, of the prospectus and any prospectus supplement covering such Registrable Securities current at the time of receipt of such notice.

Vanguard shall: (i) as soon as practicable incorporate in a prospectus supplement or post-effective amendment such information as a Selling Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) as soon as practicable make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) as soon as practicable, supplement or make amendments to any Shelf Registration Statement or any other registration statement contemplated by this Agreement.

Section 2.05 Cooperation by Holders. Vanguard shall have no obligation to include Registrable Securities of a Holder in a Shelf Registration Statement under Article II of this Agreement if such Selling Holder has failed to timely furnish all such information that, in the opinion of counsel to Vanguard, is reasonably required for such registration statement or prospectus supplement, as applicable, to comply with the Securities Act.

Section 2.06 Restrictions on Public Sale by Holders of Registrable Securities. During the Effectiveness Period, each Holder of Registrable Securities who is included in a Shelf Registration Statement agrees not to effect any public sale or distribution of the Registrable Securities during the thirty (30) calendar day period beginning on the date that a prospectus supplement or other prospectus (including any free writing prospectus) is filed with the Commission with respect to an Underwritten Offering of equity securities of Vanguard; provided, that the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the officers, directors or any other unitholder of Vanguard on whom a restriction is imposed in connection with such public offering; provided, further, that this Section 2.06 shall apply only to a Selling Holder (together with any Affiliates that are Selling Holders) that holds at least $25 million of Registrable Securities, in the aggregate (determined by multiplying the number of Registrable Securities owned by the average of the closing price for Common Units for the five (5) consecutive trading days ending on the last trading day ending before the date of such filing).

Section 2.07 Expenses.

(a) *Certain Definitions*. "Registration Expenses" means all expenses incident to Vanguard's performance under or compliance with this Agreement to effect the registration of Registrable Securities in a Shelf Registration Statement pursuant to Section 2.01 or a Piggyback Offering pursuant to Section 2.02, and the disposition of such securities, including, without limitation, all customary registration, filing, securities exchange listing and the NYSE fees, all customary registration, filing, qualification and other fees and expenses of complying with securities or "blue sky" laws, fees of the Financial Industry Regulatory Authority, Inc., fees of transfer agents and registrars, all word processing, duplicating and printing expenses, the fees and disbursements of counsel to Vanguard and independent public accountants for Vanguard, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance.

(b) *Expenses*. Vanguard will pay all reasonable Registration Expenses, as determined in good faith, including, in the case of a Piggyback Offering, all reasonable Registration Expenses whether or not any sale is made pursuant to the related registration statement. Except as otherwise provided in Section 2.08, Vanguard shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holder's rights and obligations under this Agreement. Each Selling Holder shall also pay any underwriting fees, discounts and selling commissions (and similar fees or arrangements associated with) and transfer taxes allocable to the sale of the Registrable Securities.

Section 2.08 Indemnification.

(a) *By Vanguard*. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, Vanguard will indemnify and hold harmless each Selling Holder thereunder, its directors, officers, employees, agents and managers and each Person, if any, who controls such Selling Holder within the meaning of the Securities Act and the Exchange Act, and its directors, officers, employees, agents and managers, against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, " Losses"), joint or several, to which such Selling Holder or controlling Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact (in the case of any prospectus, in the light of the circumstances under which such statement is made) contained in a Shelf Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any free writing prospectus related thereto, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading, and will reimburse each such Selling Holder, its directors and officers and each such controlling Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss or actions or proceedings; provided, however, that Vanguard will not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder or such controlling Person in writing specifically for use in the Shelf Registration Statement or such other registration statement, free writing prospectus or prospectus supplement, as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder or any such director, officer, employee, agent, manager or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(b) *By Each Selling Holder*. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless Vanguard, its directors, officers, employees and agents and each Person, if any, who controls Vanguard within the meaning of the Securities Act or of the Exchange Act to the same extent as the foregoing indemnity from Vanguard to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in a Shelf Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus or final prospectus contained therein, or any free writing prospectus related thereto, or any amendment or supplement thereof; provided, however, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the net proceeds received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Vanguard or any such director, officer,

employee, agent, manager or controlling Person, and shall survive the transfer of such securities by such Selling Holder.

(c) *Notice*. Promptly after any indemnified party has received notice of any indemnifiable claim hereunder, or the commencement of any action, suit or proceeding by a third person, which the indemnified party believes in good faith is an indemnifiable claim under this Agreement, the indemnified party shall give the indemnifying party written notice of such claim but failure to so notify the indemnifying party will not relieve the indemnifying party from any liability it may have to such indemnified party hereunder except to the extent that the indemnifying party is materially prejudiced by such failure. Such notice shall state the nature and the basis of such claim to the extent then known. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.08 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; provided, however, that, (i) if the indemnifying party has failed to assume the defense and employ counsel or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable out-of-pocket expenses and fees of such separate counsel and other reasonable out-of-pocket expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, the indemnifying party shall not settle any indemnified claim without the consent of the indemnified party, unless the settlement thereof imposes no liability or obligation on, and includes a complete release from liability of, and does not contain any admission of wrongdoing by, the indemnified party.

(d) *Contribution*. If the indemnification provided for in this Section 2.08 is held by a court or government agency of competent jurisdiction to be unavailable to any indemnified party or is insufficient to hold them harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of such indemnified party on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided, however, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of net proceeds received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of the indemnifying party on the one hand and the indemnified party on the other shall be determined by reference to, among other things,

whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to herein. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal and other expenses reasonably incurred by such indemnified party in connection with investigating or defending any Loss that is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) *Other Indemnification*. The provisions of this Section 2.08 shall be in addition to any other rights to indemnification or contribution that an indemnified party may have pursuant to Law, equity, contract or otherwise.

Section 2.09 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, Vanguard agrees to use its reasonable best efforts to:

(a) make and keep public information regarding Vanguard available, as those terms are understood and defined in Rule 144 of the Securities Act, at all times from and after the date hereof;

(b) file with the Commission in a timely manner all reports and other documents required of Vanguard under the Securities Act and the Exchange Act at all times from and after the date hereof;

(c) so long as a Holder owns any Registrable Securities, furnish, unless otherwise available at no charge by access electronically to the Commission's EDGAR filing system, to such Holder forthwith upon request (i) a copy of the most recent annual or quarterly report of Vanguard, and (ii) such other reports and documents so filed with the Commission as such Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing such Holder to sell any such securities without registration; and

(d) take such further action as any Holder of Registrable Securities may reasonably request, to the extent legally required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adoption by the Commission, and in any such case, upon the request of any Holder of Registrable Securities, Vanguard will deliver to such Holder a written statement as to whether it has complied with such requirements.

Section 2.10 Transfer or Assignment of Registration Rights. The rights to cause Vanguard to register Registrable Securities granted to Denbury by Vanguard under this Article II may be transferred or assigned by a Holder to a transferee or assignee; provided, that (i) there is transferred to such transferee at least $15 million of Registrable Securities (based on the Unit Purchase Price), (ii) the Holder or the assignee provides written notice to Vanguard (A) describing the manner in which the assignee acquired the Registrable Securities from the assignor, and (B) identifying the Registrable Securities with respect to which the rights under this Agreement are being assigned.. The transferor shall give written notice to Vanguard at least ten (10) Business Days prior to any said transfer or assignment, setting forth the information required under Section 3.01 of this Agreement for each such transferee and each such transferee shall agree in writing to be subject to all of the terms and conditions of this Agreement.

Section 2.11 Limitation on Subsequent Registration Rights. From and after the date hereof, Vanguard shall not, without the prior written consent of the Holders of a majority of the outstanding Registrable Securities, enter into any agreement with any current or future holder of any securities of Vanguard that would allow such current or future holder to require Vanguard to include securities in any Underwritten Offering by Vanguard for its own account on a basis that is superior in any way to the Piggyback Offering rights granted to the Holders pursuant to Section 2.02 of this Agreement.

ARTICLE III
MISCELLANEOUS

Section 3.01 Communications. All notices and demands provided for hereunder shall be in writing and shall be given by hand delivery, electronic mail, registered or certified mail, return receipt requested, regular mail, facsimile or air courier guaranteeing overnight delivery to the following addresses:

(a) If to Denbury:

Denbury Resources Inc.
5320 Legacy Drive
Plano, Texas 75024
Facsimile: 972-673-2051
Attention: Phil Rykhoek
Email: Phil.Rykhoek@denbury.com

with a copy to:

Baker Hostetler LLP
1000 Louisiana, Suite 2000
Houston, Texas 77002
Facsimile: (713) 751-1717
Attention: Donald W. Brodsky
Email: DBrodsky@bakerlaw.com

(b) If to Vanguard:

Vanguard Natural Gas LLC
5847 Fan Felipe, Suite 3000
Houston, Texas 77057
Facsimile: (832) 327-2260
Attention: Scott W. Smith
Email: SWSmith@vnrllc.com

with a copy to:

Vinson & Elkins L.L.P.
2500 First City Tower
1001 Fannin
Houston, Texas 77002
Facsimile: (713) 615-5956
Attention: David P. Oelman and
Stephen M. Gill
Email: DOelman@velaw.com

or, if to a transferee of a Holder, to the transferee at the addresses provided pursuant to Section 2.10 above. All notices and communications shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) when notice is sent to the sender that the recipient has read the message, if sent by electronic mail; (iii) upon actual receipt, if sent by registered or certified mail, return receipt requested, or regular mail, if mailed; (iv) when receipt is confirmed, if sent by facsimile; and (v) upon actual receipt when delivered to an air courier guaranteeing overnight delivery.

Section 3.02 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Aggregation of Registrable Securities. All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

Section 3.04 Recapitalization, Exchanges, Etc. Affecting the Registrable Securities. The provisions of this Agreement shall apply to the fullest extent set forth herein with respect to any and all units of Vanguard or any successor or assignee of Vanguard (whether by merger, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, splits, recapitalizations and the like occurring after the date of this Agreement.

Section 3.05 Specific Performance. Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that

each such Person, in addition to and without limiting any other remedy or right it may have, will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude any such Person from pursuing any other rights and remedies at law or in equity which such Person may have.

Section 3.06 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.07 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.08 Governing Law, Submission to Jurisdiction. This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), will be construed in accordance with and governed by the Laws of the State of Texas without regard to principles of conflicts of laws. Any action against any party relating to the foregoing shall be brought in any federal or state court of competent jurisdiction located within the State of Texas, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of Texas over any such action. The parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

Section 3.09 Waiver of Jury Trial. THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVE, AND AGREE TO CAUSE THEIR AFFILIATES TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN

EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 3.10 Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.11 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by Vanguard set forth herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.12 Amendment. This Agreement may be amended only by means of a written amendment signed by Vanguard and the Holders of a majority of the then outstanding Registrable Securities; provided, however, that no such amendment shall adversely affect the rights of any Holder hereunder without the consent of such Holder.

Section 3.13 No Presumption. In the event any claim is made by a party relating to any conflict, omission, or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.14 Obligations Limited to Parties to this Agreement. Each of the parties hereto covenants, agrees and acknowledges that no Person other than Denbury, its permitted assignees, and Vanguard shall have any obligation hereunder and that, notwithstanding that one or more of Vanguard and Denbury may be a corporation, partnership, limited liability company or other entity, no recourse under this Agreement or under any documents or instruments delivered in connection herewith or therewith shall be had against any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of Vanguard, Denbury or their respective permitted assignees, or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of Vanguard, Denbury or any of their respective assignees, or any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder or Affiliate of any of the foregoing, as such, for any obligations of Vanguard, Denbury or their respective permitted assignees under this Agreement or any documents or instruments delivered in connection

herewith or therewith or for any claim based on, in respect of or by reason of such obligation or its creation.

Section 3.15 Interpretation. Article and Section references in this Agreement are references to the corresponding Article and Section to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The word "including" shall mean "including but not limited to."

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

VANGUARD NATURAL RESOURCES, LLC

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

ENCORE OPERATING, L.P.

By: EAP Operating, LLC,
its general partner

By: /s/ Phil Rykhoek
Name: Phil Rykhoek
Title: Chief Executive Officer