

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **March 12, 2015 (October 1, 2014)**

Vanguard Natural Resources, LLC

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation)

001-33756

(Commission File Number)

61-1521161

(IRS Employer Identification
No.)

5847 San Felipe, Suite 3000

Houston, Texas 77057

(Address of principal executive offices) (Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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As previously disclosed, Vanguard Natural Resources, LLC (“Vanguard” or the “Company”), through its wholly-owned subsidiary, Vanguard Operating, LLC (“Vanguard Operating”), completed the acquisition of natural gas, oil and natural gas liquids assets in the Piceance Basin in Colorado on September 30, 2014 (the “Piceance Acquisition”).

This current report on Form 8-K/A (“Amendment No. 3”) amends and supplements the Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) by Vanguard on October 1, 2014, as amended by the Current Report on Form 8-K/A filed with the SEC by Vanguard on November 3, 2014 (“Amendment No. 1”) and by the Current Report on Form 8-K/A filed with the SEC by Vanguard on February 12, 2015 (“Amendment No. 2”), in connection with the Piceance acquisition. The Current Report on Form 8-K filed on October 1, 2014 is being amended by this Amendment No. 3 to update the unaudited pro forma financial information provided related to the Piceance Acquisition, which has been prepared in accordance with Article 11 of Regulation S-X. No other amendments to the Form 8-K filing on October 1, 2014, as amended by Amendment No. 1 and Amendment No. 2, are being made by this Amendment No. 3.

References in this current report to “us,” “we,” “our,” the “Company,” “Vanguard” or “VNR” are to Vanguard Natural Resources, LLC and its subsidiaries.

Item 9.01. Financial Statements and Exhibits.

(b) The following unaudited combined pro forma financial information of the Company and the notes thereto are included in Exhibit 99.1 hereto and are incorporated herein by reference:

- Unaudited pro forma combined statement of operations for the year ended December 31, 2014;

(c) The summary pro forma combined oil, natural gas and natural gas liquids reserve data is included in Exhibit 99.2 hereto and incorporated herein by reference.

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
Exhibit 99.1	Unaudited pro forma combined financial information of Vanguard Natural Resources, LLC for the year ended December 31, 2014.
Exhibit 99.2	Summary Pro Forma Combined Oil, Natural Gas and Natural Gas Liquids Reserve Data.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VANGUARD NATURAL RESOURCES, LLC

By: /s/ Richard A. Robert
Name: Richard A. Robert
Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

March 12, 2015

EXHIBIT INDEX

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**Unaudited Pro Forma Combined
Statement of Operations
for the year ended December 31, 2014
(in thousands)**

	Vanguard Historical	Pro forma adjustments Pinedale Acquisition (Note 2)	Pro forma adjustments Piceance Acquisition (Note 2)	Vanguard Pro forma
Revenues:				
Oil sales	\$ 268,685	\$ 2,145 ^(a)	\$ 15,088 ^(f)	\$ 285,918
Natural gas sales	285,439	8,533 ^(a)	57,432 ^(f)	351,404
NGLs sales	70,489	3,581 ^(a)	27,239 ^(f)	101,309
Net losses on commodity derivative contracts	163,452	—	—	163,452
Total revenues	788,065	14,259	99,759	902,083
Costs and expenses:				
Production:				
Lease operating expenses	132,515	4,178 ^(b)	13,072 ^(g)	149,765
Production and other taxes	61,874	1,607 ^(b)	5,268 ^(g)	68,749
Depreciation, depletion, amortization and accretion	226,937	5,287 ^(c)	34,376 ^(h)	266,600
Impairment of oil and natural gas properties	234,434	(5,287) ^(c)	(34,376) ^(h)	194,771
Selling, general and administrative expenses	30,839	—	—	30,839
Total costs and expenses	686,599	5,785	18,340	710,724
Income from operations	101,466	8,474	81,419	191,359
Other income (expense):				
Interest expense	(69,765)	(988) ^(d)	(8,241) ⁽ⁱ⁾	(78,994)
Net losses on interest rate derivative contracts	(1,933)	—	—	(1,933)
Gain on acquisition of oil and natural gas properties	34,523	(32,114) ^(e)	427 ⁽ⁱ⁾	2,836
Other	54	—	—	54
Total other expense	(37,121)	(33,102)	(7,814)	(78,037)
Net income (loss)	64,345	(24,628)	73,605	113,322
Less: Distributions to Preferred unitholders	(18,197)	—	—	(18,197)
Net income (loss) attributable to Common and Class B unitholders	\$ 46,148	\$ (24,628)	\$ 73,605	\$ 95,125
Net income per Common and Class B unit:				
Basic	\$ 0.56			\$ 1.16
Diluted	\$ 0.55			\$ 1.14
Weighted average units outstanding:				
Common units – basic	81,611			81,611
Common units – diluted	82,039			82,039
Class B units – basic & diluted	420			420

**NOTES TO UNAUDITED PRO FORMA
COMBINED FINANCIAL INFORMATION**

Note 1. Basis of Presentation

On December 30, 2013, Vanguard Natural Resources, LLC (“Vanguard” or the “Company”, or “we”) and its wholly-owned subsidiary, Encore Energy Partners Operating, LLC, entered into a purchase and sale agreement, dated December 23, 2013 to purchase natural gas and oil assets in the Pinedale and Jonah fields located in Southwestern Wyoming. We refer to this acquisition as the “Pinedale Acquisition.” We completed this acquisition on January 31, 2014 for an aggregate adjusted purchase price of \$555.6 million with an effective date of October 1, 2013. The purchase price was funded with borrowings under our reserve-based credit facility.

On September 16, 2014, the Company and its wholly-owned subsidiary, Vanguard Operating, LLC, entered into a purchase and sale agreement, dated September 15, 2014 with Bill Barrett Corporation to purchase natural gas, oil and natural gas liquids assets in the Piceance Basin in Colorado. We refer to this acquisition as the “Piceance Acquisition.” We completed this acquisition on September 30, 2014 for an aggregate adjusted purchase price of \$502.1 million, subject to additional customary post-closing adjustments to be determined based on an effective date of July 1, 2014. The purchase price was funded with borrowings under our reserve-based credit facility.

The accompanying unaudited pro forma combined financial information is based on the historical consolidated financial statements of Vanguard, adjusted to reflect the Pinedale Acquisition and the Piceance Acquisition. The related pro forma adjustments are described below.

The unaudited pro forma combined statement of operations for the year ended December 31, 2014 gives effect to Pinedale Acquisition and Piceance Acquisition as if these acquisitions had occurred on January 1, 2014.

The unaudited pro forma combined financial information should be read in conjunction with Vanguard's Form 10-K for the year ended December 31, 2014.

The unaudited pro forma combined financial information is for informational purposes only and is not intended to represent or to be indicative of the combined results of operations or financial position that Vanguard would have reported had the Pinedale Acquisition been completed as of the dates set forth in this unaudited pro forma financial information and should not be taken as indicative of Vanguard's future performance for reasons, including, but not limited to, differences between the assumptions used to prepare the unaudited pro forma combined financial information and actual results.

Note 2. Pro Forma Adjustments

The measurement of the fair value at acquisition date of the assets acquired in the Pinedale Acquisition as compared to the fair value of consideration transferred, adjusted for purchase price adjustments, resulted in a gain of \$32.1 million, as reflected in the table below, primarily due to the increase in natural gas prices between the date the purchase and sale agreement was entered into and the closing date.

Fair value of assets and liabilities acquired:	(in thousands)
Oil and natural gas properties	\$ 600,123
Inventory	244
Asset retirement obligations	(12,404)
Imbalance liabilities	(171)
Other	(125)
Total fair value of assets and liabilities acquired	587,667
Fair value of consideration transferred	555,553
Gain on acquisition	\$ 32,114

The measurement of the fair value at acquisition date of the assets acquired in the Piceance Acquisition as compared to the fair value of consideration transferred, adjusted for purchase price adjustments, resulted in goodwill of \$0.4 million, calculated in the following table, which was immediately impaired and recorded as a loss in current period earnings. The loss resulted primarily from the changes in oil and natural gas prices between the date the purchase and sale agreement was entered into and the closing date, which were used to value the reserves acquired.

	(in thousands)
Fair value of assets and liabilities acquired:	
Oil and natural gas properties	\$ 521,401
Asset retirement obligations	(19,452)
Imbalance and suspense liabilities	(236)
Total fair value of assets and liabilities acquired	501,713
Cash paid	508,710
Estimated post-close adjustments:	
Trade accounts receivable, net	(8,206)
Accrued lease operating liabilities	1,636
Total fair value of consideration transferred	502,140
Loss on acquisition	\$ (427)

The unaudited pro forma combined statement of operations for the year ended December 31, 2014 include adjustments to reflect the following:

- (a) Represents the increase in oil, natural gas and natural gas liquids sales resulting from the Pinedale Acquisition.
- (b) Represents the increase in lease operating expenses and production and other taxes resulting from the Pinedale Acquisition.
- (c) Represents the increase in depreciation, depletion, amortization and accretion resulting from the Pinedale Acquisition and the corresponding reduction in the impairment recognized in the fourth quarter of 2014.
- (d) Represents the pro forma interest expense related to borrowings under the reserve-based credit facility to fund the Pinedale Acquisition.
- (e) Represents the elimination of the nonrecurring gain from the acquisition of oil, natural gas and natural gas liquids properties in the Pinedale Acquisition.
- (f) Represents the increase in oil, natural gas and natural gas liquids sales resulting from the Piceance Acquisition.
- (g) Represents the increase in lease operating expenses and production and other taxes resulting from the Piceance Acquisition.
- (h) Represents the increase in depreciation, depletion, amortization and accretion resulting from the Piceance Acquisition and the corresponding reduction in the impairment recognized in the fourth quarter of 2014.
- (i) Represents the pro forma interest expense related to borrowings under the reserve-based credit facility to fund the Piceance Acquisition.
- (j) Represents the elimination of the nonrecurring loss from the impairment of the goodwill recognized in the acquisition of oil, natural gas and natural gas liquids properties in the Piceance Acquisition.

**Summary Pro Forma Combined
Oil, Natural Gas and Natural Gas Liquids
Reserve Data**

The following tables set forth summary pro forma information with respect to Vanguard's pro forma combined estimated net proved and proved developed natural gas, oil and natural gas liquids reserves for the year ended December 31, 2014. This pro forma information gives effect to the Pinedale Acquisition and the Piceance Acquisition as if they occurred on January 1, 2014. Future exploration, exploitation and development expenditures, as well as future commodity prices and service costs, will affect the reserve volumes attributable to the acquired properties and the standardized measure of discounted future net cash flows.

Estimated changes in the quantities of natural gas, oil and natural gas liquids reserves for the year ended December 31, 2014 are as follows:

	Natural Gas (in MMcf)				Vanguard Pro forma Combined ^(a)
	Vanguard Historical	Pinedale Acquisition	Piceance Acquisition	Pro forma adjustments	
Net proved reserves					
January 1, 2014	586,489	573,755	294,000	—	1,454,244
Revisions of previous estimates	(66,797)	52,272	(12,679)	—	(27,204)
Extensions, discoveries and other	2,927	—	—	—	2,927
Purchases of reserves in place	1,036,285	—	—	(889,961) ^(b)	146,324
Production	(83,037)	(29,478)	(19,799)	31,890	(100,424)
December 31, 2014	<u>1,475,867</u>	<u>596,549</u>	<u>261,522</u>	<u>(858,071)</u>	<u>1,475,867</u>

	Oil (in MBbls)				Vanguard Pro forma Combined ^(a)
	Vanguard Historical	Pinedale Acquisition	Piceance Acquisition	Pro forma adjustments	
Net proved reserves					
January 1, 2014	45,316	4,852	2,477	—	52,645
Revisions of previous estimates	(2,910)	585	(83)	—	(2,408)
Extensions, discoveries and other	465	—	—	—	465
Purchases of reserves in place	12,873	—	—	(7,640) ^(b)	5,233
Sales of reserves in place	(2,394)	—	—	—	(2,394)
Production	(3,301)	(270)	(216)	295	(3,492)
December 31, 2014	<u>50,049</u>	<u>5,167</u>	<u>2,178</u>	<u>(7,345)</u>	<u>50,049</u>

	Natural Gas Liquids (in MBbls)				Vanguard Pro forma Combined ^(a)
	Vanguard Historical	Pinedale Acquisition	Piceance Acquisition	Pro forma adjustments	
Net proved reserves					
January 1, 2014	29,195	20,044	12,340	—	61,579
Revisions of previous estimates	(10,769)	(5,752)	(828)	—	(17,349)
Extensions, discoveries and other	22	—	—	—	22
Purchases of reserves in place	26,840	—	—	(24,740) ^(b)	2,100
Production	(2,759)	(1,243)	(1,186)	1,365	(3,823)
December 31, 2014	<u>42,529</u>	<u>13,049</u>	<u>10,326</u>	<u>(23,375)</u>	<u>42,529</u>

- (a) Includes Vanguard's, the Pinedale Acquisition's and the Piceance Acquisition's estimated net proved and proved developed oil, natural gas and natural gas liquids reserves as of December 31, 2014.
- (b) To adjust the amount of purchases of reserves representing the Pinedale Acquisition and Piceance Acquisition during 2014 included in Vanguard's historical information. The pro forma effect of each acquisition is presented separately in the table above.

	Vanguard Historical	Pinedale Acquisition	Piceance Acquisition	Pro forma adjustments ^(a)	Vanguard Pro forma Combined ^(b)
Estimated proved reserves:					
Natural Gas (MMcf)	1,475,867	596,549	261,522	(858,071)	1,475,867
Oil (MBbls)	50,049	5,167	2,178	(7,345)	50,049
Natural Gas Liquids (MBbls)	42,529	13,049	10,326	(23,375)	42,529
MMcfe	2,031,335	705,845	336,546	(1,042,391)	2,031,335
Estimated proved developed reserves:					
Natural Gas (MMcf)	970,714	286,435	199,507	(485,942)	970,714
Oil (MBbls)	39,143	2,298	1,580	(3,878)	39,143
Natural Gas Liquids (MBbls)	28,678	7,876	5,864	(13,740)	28,678
MMcfe	1,377,640	347,479	244,171	(591,650)	1,377,640

- (a) To adjust the amount of reserves representing the Pinedale Acquisition and Piceance Acquisition during 2014 included in Vanguard's historical information. The pro forma effect of each acquisition is presented separately in the table above.
- (b) Includes Vanguard's, the Pinedale Acquisition's and the Piceance Acquisition's estimated net proved and proved developed oil, natural gas and natural gas liquids reserves as of December 31, 2014.

The standardized measure of discounted future net cash flows relating to the combined proved oil, natural gas and natural gas liquids reserves at December 31, 2014 is as follows (in thousands):

	Vanguard Historical ^(a)
Future cash inflows	\$ 11,225,973
Future production costs	(3,999,460)
Future development costs	(845,872)
Future net cash flows	6,380,641
10% annual discount for estimated timing of cash flows	(3,404,914)
Standardized measure of discounted future net cash flows	\$ 2,975,727

- (a) The historical standardized measure includes Vanguard, the Pinedale Acquisition and the Piceance Acquisition.

For the December 31, 2014 calculations in the preceding table, estimated future cash inflows from estimated future production of proved reserves were computed using the average oil and natural gas price based upon the 12-month average price of \$94.87 per barrel of crude oil and \$4.36 per MMBtu for natural gas adjusted for quality, transportation fees and a regional price differential, and the volume-weighted average price of \$35.35 per barrel of natural gas liquids. The natural gas liquids prices were calculated using the differentials for each property to West Texas Intermediate reference price of \$94.87. We may receive amounts different than the standardize measure of discounted cash flow for a number of reasons, including price changes and the effects of our hedging activities.

The following are the principal sources of change in the combined standardized measure of discounted future net cash flows on a pro forma basis for the year ended December 31, 2014 (in thousands):

	<u>Vanguard Historical</u>	<u>Pinedale Acquisition</u>	<u>Piceance Acquisition</u>	<u>Pro forma adjustments</u>	<u>Vanguard Pro forma Combined ^(a)</u>
Sales and transfers, net of production costs	\$ (430,224)	\$ (116,408)	\$ (96,653)	\$ 123,169	\$ (520,116)
Net changes in prices and production costs	11,138	311,334	(132,576)	—	189,896
Extensions discoveries and improved recovery, less related costs	24,841	—	—	—	24,841
Changes in estimated future development costs	36,564	(115,401)	(13,728)	—	(92,565)
Previously estimated development costs incurred during the period	68,817	74,685	352	—	143,854
Revision of previous quantity estimates	(292,454)	26,854	(20,726)	—	(286,326)
Accretion of discount	183,397	46,010	53,471	—	282,878
Purchases of reserves in place	1,621,571	—	—	(1,257,662) ^(b)	363,909
Sales of reserves	(48,163)	—	—	—	(48,163)
Change in production rates, timing and other	(33,731)	57,008	65,465	—	88,742
Net change in standardized measure	<u>1,141,756</u>	<u>284,082</u>	<u>(144,395)</u>	<u>(1,134,493)</u>	<u>146,950</u>
Standardized measure, January 1, 2014	<u>1,833,971</u>	<u>460,099</u>	<u>534,707</u>	<u>—</u>	<u>2,828,777</u>
Standardized measure, December 31, 2014	<u>\$ 2,975,727</u>	<u>\$ 744,181</u>	<u>\$ 390,312</u>	<u>\$ (1,134,493)</u>	<u>\$ 2,975,727</u>

(a) The pro forma standardized measure includes Vanguard, the Pinedale Acquisition and the Piceance Acquisition.

(b) To adjust the amount of purchases of reserves representing the Pinedale Acquisition and Piceance Acquisition during 2014 included in Vanguard's historical information. The pro forma effect of each acquisition is presented separately in the table above.