

SEC Form 4

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

| OMB APPROVAL                                 |           |
|--|-----------|
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |   |   |
|--|---|---|
| 1. Name and Address of Reporting Person *<br><u>Pence Britt</u><br><br>(Last) (First) (Middle)<br>5847 SAN FELIPE, SUITE 3000<br><br>(Street)<br>HOUSTON TX US 77057<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>Vanguard Natural Resources, LLC [ VNR ]</u> | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><br>Director 10% Owner<br>Officer (give title below) Other (specify below)<br>X <u>Executive VP of Operations</u> |
|  | 3. Date of Earliest Transaction (Month/Day/Year)<br>01/04/2016                                |   |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)<br>01/06/2016   |   |   |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |       | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |     | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |     | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|-----|--|-----|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V   | (A)  | (D) | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Phantom Units                              | (I)  | 01/04/2016                           |  | A                              | (I) | 458,054  | (I) | 01/04/2017   | (I)             | Common  | 458,054                                    | \$0  | 484,054   | D  |       |

**Explanation of Responses:**

1. The phantom units were granted pursuant to the execution of an Amended and Restated Employment Agreement on January 1, 2016 and subject to a Phantom Unit Award Agreement. Each phantom unit represents the equivalent of one common unit of the Company. The phantom units are subject to vesting in three equal annual installments, with the first vesting date being January 4, 2017, and each subsequent vesting date occurring on each annual anniversary of the first vesting date. The vested phantom units are payable following each vesting date, in either the Company's common units or in a cash amount equal to the fair market value of the Company's common units on the vesting date. The phantom units are accompanied by dividend equivalent rights, which entitle the executives to receive the value of any dividends made by the Company on its units generally with respect to the number of phantom shares that executive received pursuant to this grant and are subject to vesting in two equal annual installments, 50% available for applicable monthly distributions at the grant date of January 4, 2016 and the remaining 50% available upon vesting. Vesting of both the underlying phantom units and the tandem dividend equivalent rights is generally subject to the grantee's continued employment through the applicable vesting date, with such other terms as set forth in the applicable award agreement.

/s/ Britt Pence

01/12/2016

\*\* Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.