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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): **May 19, 2016 (March 29, 2016)**

Vanguard Natural Resources, LLC

(Exact name of registrant specified in its charter)

Delaware	**001-33756**	**61-1521161**
(State or Other Jurisdiction Of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5847 San Felipe, Suite 3000
Houston, TX 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))

Introductory Note

As reported in a Current Report on Form 8-K filed with the Securities and Exchange Commission by Vanguard on October 5, 2015 (the "Original LRE Form 8-K"), on October 5, 2015, Vanguard Natural Resources, LLC, a Delaware limited liability company ("Vanguard"), completed the previously announced transactions contemplated by the Purchase Agreement and Plan of Merger, dated as of April 20, 2015 (the "LRE Merger Agreement"), by and among Vanguard, Lighthouse Merger Sub, LLC, a wholly owned subsidiary of Vanguard ("Lighthouse Merger Sub"), Lime Rock Management LP ("LR Management"), Lime Rock Resources A, L.P. ("LRR A"), Lime Rock Resources B, L.P. ("LRR B"), Lime Rock Resources C, L.P. ("LRR C"), Lime Rock Resources II-A, L.P. ("LRR II-A"), Lime Rock Resources II-C, L.P. ("LRR II-C," and, together with LRR A, LRR B, LRR C, LRR II-A and LR Management, the "GP Sellers"), LRR Energy, L.P. ("LRE") and LRE GP, LLC ("LRE GP"). Pursuant to the terms of the LRE Merger Agreement, Lighthouse Merger Sub was merged with and into LRE, with LRE continuing as the surviving entity and as a wholly owned subsidiary of Vanguard (the "LRE Merger"), and, at the same time, Vanguard acquired all of the limited liability company interests in LRE GP from the GP Sellers in exchange for common units representing limited liability company interests in Vanguard ("Vanguard Common Units").

The LRE Merger was completed following approval, at a special meeting of LRE unitholders on October 5, 2015, of the LRE Merger Agreement and the LRE Merger by holders of a majority of the outstanding common units representing limited partner interests in LRE ("LRE Common Units"). As a result of the LRE Merger, (i) each outstanding LRE Common Unit was converted into the right to receive 0.550 newly issued Vanguard Common Units or, in the case of fractional Vanguard Common Units, cash (without interest and rounded up to the nearest whole cent) and (ii) Vanguard purchased all of the outstanding limited liability company interests in LRE GP in exchange for 12,320 newly issued Vanguard Common Units.

In addition, as reported in a Current Report on Form 8-K filed with the Securities and Exchange Commission by Vanguard on October 8, 2015 (the "Original Eagle Rock Form 8-K"), on October 8, 2015, Vanguard completed the previously announced transactions contemplated by the Agreement and Plan of Merger, dated as of May 21, 2015 (the "Eagle Rock Merger Agreement"), by and among Vanguard, Talon Merger Sub, LLC, an indirect wholly owned subsidiary of Vanguard ("Talon Merger Sub"), Eagle Rock Energy Partners, L.P. ("Eagle Rock") and Eagle Rock Energy GP, L.P. ("Eagle Rock GP"). Pursuant to the terms of the Eagle Rock Merger Agreement, Talon Merger Sub was merged with and into Eagle Rock with Eagle Rock continuing as the surviving entity and as an indirect wholly owned subsidiary of Vanguard (the "Eagle Rock Merger").

The Eagle Rock Merger was completed following (i) approval by holders of a majority of the outstanding common units representing limited partner interests in Eagle Rock ("Eagle Rock Common Units"), at a special meeting of Eagle Rock unitholders on October 5, 2015, of the Eagle Rock Merger Agreement and the Eagle Rock Merger and (ii) approval by Vanguard unitholders, at Vanguard's 2015 Annual Meeting of unitholders, of the issuance of Vanguard Common Units to be issued as merger consideration to the holders of Eagle Rock Common Units in connection with the Eagle Rock Merger. As a result of the Eagle Rock Merger, each outstanding Eagle Rock Common Unit was converted into the right to receive 0.185 newly issued Vanguard Common Units or, in the case of fractional Vanguard Common Units, cash.

Also, as reported in a Current Report on Form 8-K filed with the Securities and Exchange Commission by Vanguard on March 30, 2016 (the "Original SCOOP/STACK Divestiture Form 8-K"), on March 29, 2016, Vanguard entered into a definitive agreement with a private buyer to sell its oil, natural gas and natural gas liquids assets in the SCOOP/STACK area in Oklahoma for $280.0 million, subject to typical purchase price adjustments at closing (the "SCOOP/STACK Divestiture"). The effective date of the sale is January 1, 2016 and Vanguard anticipates closing this transaction on or before May 18, 2016. Proceeds from the sale will be used to reduce borrowings under Vanguard's reserve-based credit facility.

This Current Report on Form 8-K/A is being filed to provide updated unaudited pro forma financial information related to the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, as required by

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Item 9.01 of Form 8-K of the Original LRE Form 8-K, the Original Eagle Rock Form 8-K and the Original SCOOP/STACK Divestiture Form 8-K, respectively.

Item 2.01. ***Completion of Disposition of Assets.***

On May 19, 2016, pursuant to a Purchase and Sale Agreement dated March 29, 2016 (the "Purchase Agreement"), Vanguard, and wholly owned subsidiary Vanguard Operating, LLC ("Vanguard Operating"), completed the divestiture of natural gas, oil and natural gas liquids assets in the SCOOP/STACK area in Oklahoma to NonOp Solutions III, L.P. and NonOp Solutions IV LP, entities managed by Titanium Exploration Partners, LLC for an adjusted purchase price of $272.5 million (the "SCOOP/STACK Divestiture"). The purchase price is subject to final purchase price adjustments to be determined based on the transaction's effective date of January 1, 2016.

Item 7.01 ***Regulation FD Disclosure***

On May 19, 2016, the Company issued a press release announcing the completion of the SCOOP/STACK Divestiture and its updated 2016 outlook, a copy of which is being furnished as an exhibit to this report on Form 8-K and is incorporated by reference into this Item 7.01.

Item 9.01 Financial Statements and Exhibits

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined consolidated financial information of Vanguard, as adjusted for the SCOOP/STACK Divestiture, as of and for the three months ended March 31, 2016, and as adjusted for the

LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, for the year ended December 31, 2015, and the notes related thereto, are attached hereto as Exhibit 99.2 and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description
Exhibit 99.1	Press Release dated May 19, 2016.
Exhibit 99.2	Unaudited pro forma condensed combined consolidated financial information of Vanguard, as adjusted for the SCOOP/STACK Divestiture, as of and for the three months ended March 31, 2016 and as adjusted for the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, for the year ended December 31, 2015.

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

Dated: May 19, 2016

By: /s/ Richard A. Robert

Name: Richard A. Robert

Title: Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 99.1	Press Release dated May 19, 2016.

Exhibit 99.2	Unaudited pro forma condensed combined consolidated financial information of Vanguard, as adjusted for the SCOOP/STACK Divestiture, as of and for the three months ended March 31, 2016 and as adjusted for the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, for the year ended December 31, 2015.

EX-99.1 2 ex991scoop_stackxclosingpr.htm EXHIBIT 99.1

Exhibit 99.1

NEWS RELEASE

Vanguard Natural Resources, LLC Announces Closing Of SCOOP/STACK Asset Sale In Oklahoma and Provides Updated 2016 Outlook

Houston – May 19, 2016 (GLOBE NEWSWIRE) – Vanguard Natural Resources, LLC (NASDAQ: VNR) ("Vanguard" or "the Company") today announced it consummated the previously announced sale of its natural gas, oil and natural gas liquids assets in the SCOOP/STACK area in Oklahoma to entities managed by Titanium Exploration Partners, LLC for an adjusted price of $272.5 million, subject to customary final post-closing adjustments. RBC Richardson Barr acted as exclusive advisor to Vanguard for this transaction.

Characteristics of the assets sold include:

- 239 MMcfe of 2015 year-end reserves with approximately 56% being natural gas, 13% oil and 31% natural gas liquids ("NGLs");

- Properties consist of more than 20,000 total net acres in the SCOOP/STACK area in Oklahoma;

- Current production of approximately 50 MMcfe per day;

- Approximately 410 producing wells;

- No impact to Vanguard’s overall hedge volume;
- Proceeds from the sale immediately used to pay down borrowings under Vanguard’s reserve based credit facility; and
- Vanguard's 2016 Spring Borrowing Base Redetermination is scheduled to be completed on May 26, 2016.

2016 Outlook:

Summary of Estimates

The following table sets forth certain estimates being used by Vanguard to model its anticipated results of operations for the fiscal year ending December 31, 2016. Estimates in the below guidance table include actual first quarter 2016 operating and financial results, and will include operating and financial results for the SCOOP/STACK assets, through May 18, 2016. These estimates do not include any future acquisitions or divestitures of oil or natural gas properties. In addition, the expectations below assume Vanguard's current capital structure and do not contemplate any future equity or debt offerings.

	Post SCOOP/STACK Sale Guidance FY 2016E			Midpoint Of Previously Announced Guidance FY 2016E [1]
Net Production:				
Oil (Bbls/d)	12,100	-	13,400	13,500
Natural gas (Mcf/d)	272,000	-	300,000	295,000
Natural gas liquids (Bbls/d)	9,700	-	10,700	11,400
Total (Mcfe/d)	402,800		444,600	444,400
Costs:				
Lease operating expenses	$ 160,000	-	$ 177,000	$170,750
Production taxes	$ 37,000	-	$ 41,000	$36,500
G&A expenses (excluding non-cash compensation)	$ 39,000	-	$ 43,000	$41,000
Depreciation, depletion, amortization and accretion	$ 160,000	-	$ 180,000	$227,500

Costs per Mcfe:		
Lease operating expenses	$ 1.05 - $ 1.15	$1.05
Production taxes (% of revenue)	10.0 % - 12.0 %	11.5%
G&A expenses (excluding non-cash compensation)	$ 0.24 - $ 0.28	$0.25
Depreciation, depletion, amortization and accretion	$ 1.00 - $ 1.20	$1.40
Cash Flow Calculation (in thousands):		
Adjusted EBITDA (2)	$370,000	$360,000
Interest expense, including settlements paid on interest rate derivatives	$(104,000)	$(105,000)
Capital expenditures	$(73,000)	$(63,000)
Distributions to Preferred Unitholders (3)	$(2,230)	$(2,230)
Distributable cash flow	$190,770	$189,770
Excess of net cash after distributions to unitholders (4)	$150,000	$145,000
Mid-point adjusted net income per unit (2)	$0.60	$0.10
Units outstanding (millions)	131.4	131.0

Assumed NYMEX Pricing (May 13, 2016) (5):	**Q1 2016A**	**Q2 2016E**	**Q3 2016E**	**Q4 2016E**
Oil ($/Bbl)	$33.23	$44.45	$47.37	$48.51
Natural gas ($/MMBtu)	$2.10	$2.01	$2.22	$2.48
Average NYMEX Differentials:				
Oil ($/Bbl)	$(6.66)	$(7.00)	$(7.00)	$(7.00)
Natural gas ($/MMBtu)	$(0.80)	$(0.85)	$(0.80)	$(0.80)
NGL realization as a percentage of crude oil NYMEX price (6)	24%	25%	25%	25%

Capital Expenditures Details (in thousands):	**Q1 2016A**	**Q2 2016E**	**Q3 2016E**	**Q4 2016E**
Operated	$(3,000)	$(8,000)	$(8,000)	$(7,000)
Non-Operated	$(17,000)	$(14,000)	$(10,000)	$(6,000)
Total Capital Expenditures	$(20,000)	$(22,000)	$(18,000)	$(13,000)

(1) Previously announced guidance numbers released March 4, 2016.

(2) Adjusted EBITDA and adjusted net income exclude the amortization of value on derivative contracts acquired (approximately $16.1 million for the FY 2016).

(3) Reflects current monthly preferred distributions which were suspended effective with the February 2016 distribution and would have been paid in April 2016.

(4) Excess of net cash after distributions is net of any expected working capital adjustments and cash reserves and does not consider the payment of any accrued preferred distributions.

(5) NYMEX pricing includes actual settlements for January, February, March and April 2016, and NYMEX

strip pricing on May 13, 2016 thereafter.

(6) Assumes a weighted average product breakout of 21% ethane, 35% propane, 11% isobutane, 15% n-butane and 18% pentane.

Hedging Update

After taking into consideration the SCOOP/STACK sale, we have implemented a hedging program for approximately 84% and 69% of our natural gas production for the balance of 2016 and 2017, respectively, with 72% in the form of fixed-price swaps in 2016. Approximately 89% and 23% of our anticipated crude oil production for the balance of 2016 and 2017, respectively, is hedged with 42% in the form of fixed-price swaps in 2016. NGLs production is under fixed-price swaps for approximately 26% of anticipated production for the balance of 2016.

	Apr-Dec 31 2016	Year 2017
Gas Production Hedged:		
% Anticipated Production Hedged	84 %	69 %
Weighted Average Price ($/MMBtu)	$ 4.17	$ 3.70
Oil Production Hedged:		
% Anticipated Production Hedged	89 %	23 %
Weighted Average Price ($/Bbl)	$ 66.43	$ 84.68
NGLs Production Hedged:		
% Anticipated Production Hedged	26 %	—
Weighted Average Price ($/Bbl)	$ 30.31	$ —

The weighted average price for oil and natural gas will fluctuate based on the value of existing three-way collars and short puts as the respective prices settle. The above weighted average prices are calculated based on forward strip commodity prices as of May 13, 2016.

About Vanguard Natural Resources, LLC

Vanguard Natural Resources, LLC is a publicly traded limited liability company focused on the acquisition, production and development of oil and natural gas properties. Vanguard's assets consist primarily of producing and non-producing oil and natural gas reserves located in the Green River Basin in Wyoming, the Permian Basin in West Texas and New Mexico, the Gulf Coast Basin in Texas, Louisiana, Mississippi and Alabama, the Anadarko Basin in Oklahoma and North Texas, the Piceance Basin in Colorado, the Big Horn Basin in Wyoming and Montana, the Arkoma Basin in Arkansas and Oklahoma, the Williston Basin in North Dakota and Montana, the Wind River

Basin in Wyoming, and the Powder River Basin in Wyoming. More information on Vanguard can be found at www.vnrllc.com.

About Titanium Exploration Partners, LLC

Titanium Exploration Partners, LLC, is a Dallas, Texas-based oil and gas investment firm managed by Charles B. "Chip" Simmons, CEO and Peter M. Halloran, Executive Chairman and Chief Investment Officer. Titanium's current assets consist primarily of producing and non-producing oil and natural gas reserves located in the Eagle Ford Shale play in South Texas and in the SCOOP/STACK area in Oklahoma. Titanium considers investments in operated and non-operated assets in all US shale plays. See www.titaniumep.com.

Forward-Looking Statements

We make statements in this news release that are considered forward-looking statements within the meaning of the Securities Exchange Act of 1934. These forward-looking statements are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this news release are not guarantees of future performance, and we cannot assure you that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the "Risk Factors" section in our SEC filings and elsewhere in those filings. All forward-looking statements speak only as of the date of this news release. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.

SOURCE: Vanguard Natural Resources, LLC

INVESTOR RELATIONS CONTACT:
Vanguard Natural Resources, LLC
Lisa Godfrey, Director of Investor Relations
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investorrelations@vnrllc.com

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EXHIBIT 99.2

Unaudited pro forma condensed combined consolidated financial information of Vanguard, as adjusted for the SCOOP/STACK Divestiture as of and for the three months ended March 31, 2016, and as adjusted for the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture for the year ended December 31, 2015

On October 5, 2015, Vanguard Natural Resources, LLC ("Vanguard" or the "Company") completed the transactions contemplated by the Purchase Agreement and Plan of Merger, dated as of April 20, 2015 (the "LRE Merger Agreement"), by and among Vanguard, Lighthouse Merger Sub, LLC, Vanguard's wholly owned subsidiary ("LRE Merger Sub"), Lime Rock Management LP ("LR Management"), Lime Rock Resources A, L.P. ("LRR A"), Lime Rock Resources B, L.P. ("LRR B"), Lime Rock Resources C, L.P. ("LRR C"), Lime Rock Resources II-A, L.P. ("LRR II-A"), Lime Rock Resources II-C, L.P. ("LRR II-C"), and, together with LRR A, LRR B, LRR C, LRR II-A and LR Management, the "GP Sellers"), LRR Energy, L.P. ("LRE") and LRE GP, LLC ("LRE GP"), the general partner of LRE.

Pursuant to the terms of the LRE Merger Agreement, LRE Merger Sub was merged with and into LRE, with LRE continuing as the surviving entity and as Vanguard's wholly owned subsidiary (the "LRE Merger"), and, at the same time, Vanguard acquired all of the limited liability company interests in LRE GP from the GP Sellers in exchange for common units representing limited liability company interests in Vanguard. Under the terms of the LRE Merger Agreement, each common unit representing interests in LRE (the "LRE common units") was converted into the right to receive 0.550 newly issued Vanguard common units.

As consideration for the LRE Merger, Vanguard issued approximately 15.4 million Vanguard common units valued at $123.3 million based on the closing price per Vanguard common unit of $7.98 at October 5, 2015 and assumed $290.0 million in debt. The debt assumed was extinguished using borrowings under the Company's Reserve-Based Credit Facility following the close of the LRE Merger. As consideration for the purchase of the limited liability company interests in LRE GP, Vanguard issued 12,320 Vanguard common units.

The LRE Merger was completed following approval, at a Special Meeting of LRE unitholders on October 5, 2015, of the LRE Merger Agreement and the LRE Merger by holders of a majority of the outstanding LRE Common Units.

On October 8, 2015, Vanguard completed the transactions contemplated by the Agreement and Plan of Merger, dated as of May 21, 2015 (the "Eagle Rock Merger Agreement"), by and among Vanguard, Talon Merger Sub, LLC, Vanguard's wholly owned subsidiary ("Eagle Rock Merger Sub"), Eagle Rock Energy Partners, L.P. ("Eagle Rock") and Eagle Rock Energy GP, L.P. ("Eagle Rock GP"). Pursuant to the terms of the Eagle Rock Merger Agreement, Eagle Rock Merger Sub was merged with and into Eagle Rock with Eagle Rock continuing as the surviving entity and as Vanguard's wholly owned subsidiary (the "Eagle Rock Merger").

Under the terms of the Eagle Rock Merger Agreement, each common unit representing limited partner interests in Eagle Rock ("Eagle Rock common unit") was converted into the right to receive 0.185 newly issued Vanguard common units or, in the case of fractional Vanguard common units, cash (without interest and rounded up to the nearest whole cent).

As consideration for the Eagle Rock Merger, Vanguard issued approximately 27.7 million Vanguard common units valued at $258.3 million based on the closing price per Vanguard common unit of $9.31 at October 8, 2015 and assumed $156.6 million in debt. The Company extinguished $122.3 million of the debt assumed using borrowings under its Reserve-Based Credit Facility following the close of Eagle Rock Merger.

The Eagle Rock Merger was completed following (i) approval by holders of a majority of the outstanding Eagle Rock common units, at a Special Meeting of Eagle Rock unitholders on October 5, 2015, of the Eagle Rock Merger Agreement and the Eagle Rock Merger and (ii) approval by Vanguard unitholders, at Vanguard's 2015 Annual Meeting of Unitholders, of the issuance of Vanguard common units to be issued as Eagle Rock Merger Consideration to the holders of Eagle Rock common units in connection with the Eagle Rock Merger.

The pro forma financial statements presented below have been prepared using the acquisition method of accounting for business combinations under U.S. GAAP. Under the acquisition method of accounting, the assets acquired and liabilities assumed from LRE and Eagle Rock were recorded as of the acquisition date at their respective fair values.

On May 19, 2016, pursuant to a Purchase and Sale Agreement dated March 29, 2016 (the "Purchase Agreement"), Vanguard, and its wholly owned subsidiary Vanguard Operating, LLC ("Vanguard Operating"), completed the divestiture of natural gas, oil and natural gas liquids assets in the SCOOP/STACK area in Oklahoma to NonOp Solutions III, L.P. and NonOp Solutions IV LP, entities managed by Titanium Exploration Partners, LLC for an adjusted purchase price of $272.5 million (the "SCOOP/STACK Divestiture"). The purchase price is subject to final purchase price adjustments to be determined based on the transaction's effective date of January 1, 2016. Proceeds from the sale will be used to reduce borrowings under Vanguard's reserve-based credit facility.

The SCOOP/STACK Divestiture will be treated as a recovery of costs and therefore will be recorded as an adjustment to oil and natural gas properties, with no gain or loss recognized. Vanguard determined that the resulting adjustment does not significantly alter the relationship between the remaining oil and natural properties and the related proved reserves of its reporting unit.

The historical financial information included in the columns entitled "Historical Vanguard" was derived from the unaudited financial statements included in Vanguard's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and the audited financial statements in Vanguard's Annual Report on Form 10-K for the year ended December 31, 2015.

Vanguard's unaudited pro forma combined balance sheet at March 31, 2016 has been presented to show the effect as if the SCOOP/STACK Divestiture had occurred on March 31, 2016. Vanguard's unaudited pro forma combined statement of operations for the quarter ended March 31, 2016 and year ended December 31, 2015, have been presented based on Vanguard's statements of operations, and reflect the pro forma operating results attributable to the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, as if the LRE Merger, the Eagle Rock Merger, the SCOOP/STACK Divestiture and the related transactions had occurred on January 1, 2015.

Pro forma data is based on currently available information and certain estimates and assumptions as explained in the notes to the unaudited pro forma combined financial statements. Pro forma data is not necessarily indicative of the financial results that would have been attained had the LRE Merger, the Eagle Rock Merger, the SCOOP/STACK Divestiture and the related transactions had occurred on January 1, 2015. As actual adjustments may differ from the pro forma adjustments, the pro forma amounts presented should not be viewed as indicative of operations in future periods.

The unaudited pro forma combined financial information presented is based on assumptions that Vanguard believes are reasonable under the circumstances and are intended for informational purposes only. Actual results may differ from the estimates and assumptions used. The unaudited pro forma combined financial information presented is not necessarily indicative of the financial results that would have occurred if these transactions had taken place on the dates indicated, nor is it indicative of future consolidated results.

Vanguard Natural Resources, LLC and Subsidiaries
Unaudited Pro Forma Balance Sheet
As of March 31, 2016

	Historical Vanguard	Pro Forma Adjustments (Note 2)	Vanguard/ SCOOP/STACK Divestiture Pro Forma Combined
Assets			
Current assets			
Trade accounts receivable, net	$ 92,253	$ (71) (a)	$ 92,182
Derivative assets	216,651	—	216,651
Other current assets	5,458	(254) (a)	5,204
Total current assets	314,362	(325)	314,037
Oil and natural gas properties, at cost	4,957,414	(279,938) (a)	4,677,476
Accumulated depletion, amortization and impairment	(3,489,965)	—	(3,489,965)
Oil and natural gas properties evaluated, net – full cost method	1,467,449	(279,938)	1,187,511
Other assets			
Goodwill	506,046	—	506,046
Derivative assets	55,167	—	55,167
Other assets	40,541	—	40,541
Total assets	$ 2,383,565	$ (280,263)	$ 2,103,302
Liabilities and members' equity			
Current liabilities			

Accounts payable:			
Trade	$ 2,430	$ —	$ 2,430
Affiliates	1,392	—	1,392
Accrued liabilities:			
Lease operating	18,161	—	18,161
Development capital	14,158	—	14,158
Interest	18,116	—	18,116
Production and other taxes	43,568	—	43,568
Other	4,331	—	4,331
Derivative liabilities	168	—	168
Oil and natural gas revenue payable	29,231	(4,105) (a)	25,126
Other current liabilities	17,206	—	17,206
Total current liabilities	148,761	(4,105)	144,656
Long-term debt	2,168,995	(272,499) (b)	1,896,496
Asset retirement obligations, net of current portion	261,547	(3,659) (a)	257,888
Other long-term liabilities	39,905	—	39,905
Total liabilities	2,619,208	(280,263)	2,338,945
Commitments and contingencies			
Members' deficit			
Cumulative Preferred units	335,444	—	335,444
Common units	(585,949)	—	(585,949)
Class B units	7,615	—	7,615
Total VNR members' deficit	(242,890)	—	(242,890)
Non-controlling interest in subsidiary	7,247	—	7,247
Total members' deficit	(235,643)	—	(235,643)
Total liabilities and members' deficit	$ 2,383,565	$ (280,263)	$ 2,103,302

See accompanying notes to consolidated financial statements

Unaudited Pro Forma Combined Statement of Operations
For the Three Months Ended March 31, 2016

(in thousands, except per unit data)	**Historical Vanguard**	**Pro Forma adjustments (Note 3)**	**Vanguard/ LRE/Eagle Rock/SCOOP-STACK Divestiture Pro Forma Combined**
Revenues:			
Oil sales	$ 35,654	$ (4,418) (a)	$ 31,236
Natural gas sales	36,871	(4,111) (a)	32,760
NGLs sales	8,915	(1,631) (a)	7,284
Net gains on commodity derivative contracts	31,759	—	31,759
Total revenues	113,199	(10,160)	103,039

Costs and expenses:			
Production:			
Lease operating expenses	42,328	(715) (b)	41,613
Production and other taxes	8,668	(387) (b)	8,281
Depreciation, depletion, amortization, and accretion	48,053	(8,268) (c)	
		(47) (c)	39,738
Impairment of oil and natural gas properties	207,764	—	207,764
Selling, general and administrative expenses	11,021	—	11,021
Total costs and expenses	317,834	(9,417)	308,417
Loss from operations	(204,635)	(743)	(205,378)
Other income (expense):			
Interest expense	(25,704)	2,003 (d)	(23,701)
Net losses on interest rate derivative contracts	(4,691)	—	(4,691)
Gain on extinguishment of debt	89,714	—	89,714
Other	56	—	56
Total other income	59,375	2,003	61,378
Loss from continuing operations	(145,260)	1,260	(144,000)
Less: Net income attributable to non-controlling interests	(24)	—	(24)
Net loss attributable to Vanguard unitholders	(145,284)	1,260	(144,024)
Distributions to Preferred unitholders	(6,690)	—	(6,690)
oss from continuing operations attributable to Common and Class B unitholders	$ (151,974)	$ 1,260	$ (150,714)
oss from continuing operations per Common and Class B unit			
Basic and Diluted	$ (1.16)		$ (1.15)
Weighted average Common units outstanding			
Common units – basic & diluted	130,530		130,530
Class B units – basic & diluted	420		420

See accompanying notes to consolidated financial statements

Unaudited Pro Forma Combined Statement of Operations
For the Year Ended December 31, 2015

(in thousands, except per unit data)	Historical Vanguard	Historical LRE	Pro Forma adjustments (Note 3)	Historical Eagle Rock	Pro Forma adjustments (Note 3)	Vanguard/ LRE/Eagle Rock Pro Forma Combined	Pro Forma adjustments (Note 3)	Vanguard/ LRE/Eagle Rock/SCOOP-STACK Divestiture Pro Forma Combined
Revenues:								
Oil sales	$ 164,111	$ 39,568	$ —	$ —	$ 52,791 (n)	$ 256,470	$ (31,842) (a)	$ 224,628
Natural gas sales	193,496	12,097	71 (e)	—	25,953 (n)	231,761	(14,641) (a)	217,120
					144 (o)			

NGLs sales	39,620	3,803	—	—	13,632 (n)	57,055	(11,311) (a)	45,744
Natural gas, natural gas liquids, oil, condensate and sulfur	—	—	—	92,376	(92,376) (n)	—	—	—
Net gains on commodity derivative contracts	169,416	38,948	—	50,914	—	259,278	—	259,278
Other income		71	(71) (e)	144	(144) (o)	—	—	—
Total revenues	566,643	94,487	—	143,434	—	804,564	(57,794)	746,770
Costs and expenses:								
Production:								
Lease operating expenses	146,654	18,741	(281) (g)	33,590	—	198,704	(10,443) (b)	188,261
Production and other taxes	40,576	4,117	—	3,990	—	48,683	(2,154) (b)	46,529
Depreciation, depletion, amortization, and accretion	247,119	27,589	(27,589) (h)	47,426	(43,428) (q)	293,289	(33,788) (c)	259,274
			12,535 (h)		28,944 (q)		(227) (c)	
			1,198 (i)		(505) (r)			
Impairment of oil and natural gas properties	1,842,317	132,296	—	75,313	—	2,049,926	—	2,049,926
Goodwill impairment loss	71,425	—	—	—	—	71,425	—	71,425
Accretion expense	—	1,556	(1,556) (i)	—	—	—	—	—
Loss on settlement of asset retirement obligations	—	125	(125) (j)	—	—	—	—	—
Selling, general and administrative expenses	55,076	19,055	16 (f)	34,047	(412) (s)	107,762	—	107,762
			(20) (k)					
Total costs and expenses	2,403,167	203,479	(15,822)	194,366	(15,401)	2,769,789	(46,612)	2,723,177
Income (loss) from operations	(1,836,524)	(108,992)	15,822	(50,932)	15,401	(1,965,225)	(11,182)	(1,976,407)
Other income (expense):								
Interest expense	(87,573)	(9,150)	9,150 (l)	(6,477)	2,337 (t)	(99,542)	7,902 (d)	(91,640)
			(5,329) (l)		(2,500) (t)			

Net losses on interest rate derivative contracts	153	(2,421)	—	(5,728)	—	(7,996)	—	(7,996)

Net gain on acquisition of oil and natural gas properties	40,533	—	—	—	(40,817) (u)	(284)	—	(284)
Net income (loss) from short term investments	—	—	—	(5,754)	3,179 (p)	(2,575)	—	(2,575)
Other	237	—	—	3,207	(3,179) (p)	265	—	265
Total other income (expense)	(46,650)	(11,571)	3,821	(14,752)	(40,980)	(110,132)	7,902	(102,230)
Income (loss) before taxes	(1,883,174)	(120,563)	19,643	(65,684)	(25,579)	(2,075,357)	(3,280)	(2,078,637)
Income tax benefit (expense)	—	(16)	16 (f)	2,489	—	2,489	—	2,489
Loss from continuing operations	(1,883,174)	(120,579)	19,659	(63,195)	(25,579)	(2,072,868)	(3,280)	(2,076,148)
Distributions to Preferred unitholders	(26,759)	—	—	—	—	(26,759)	—	(26,759)
oss from continuing operations attributable to Common and Class B unitholders	$(1,909,933)	$(120,579)	$ 19,659	$(63,195)	$ (25,579)	$(2,099,627)	$ (3,280)	$(2,102,907)
oss from continuing operations per Common and Class B unit								
Basic and Diluted	$ (19.80)					$ (16.15)		$ (16.18)
Weighted average Common units outstanding								
Common units – basic & diluted	96,048		11,724 (m)		21,800 (v)	129,572		129,572
Class B units – basic & diluted	420					420		420

Notes to the Unaudited Pro Forma Combined Financial Statements

Note 1 Basis of Presentation

On October 5, 2015, Vanguard Natural Resources, LLC (“Vanguard” or the “Company”) completed the transactions contemplated by the Purchase Agreement and Plan of Merger, dated as of April 20, 2015 (the “LRE Merger Agreement”), by and among Vanguard, Lighthouse Merger Sub, LLC, Vanguard’s wholly owned subsidiary (“LRE Merger Sub”), Lime Rock Management LP (“LR Management”), Lime Rock Resources A, L.P. (“LRR A”), Lime Rock Resources B, L.P. (“LRR B”), Lime Rock Resources C, L.P. (“LRR C”), Lime Rock Resources II-A, L.P. (“LRR II-A”), Lime Rock Resources II-C, L.P. (“LRR II-C”), and, together with LRR A, LRR B, LRR C, LRR II-A and LR Management, the “GP Sellers”), LRR Energy, L.P. (“LRE”) and LRE GP, LLC (“LRE GP”), the general partner of LRE.

Pursuant to the terms of the LRE Merger Agreement, LRE Merger Sub was merged with and into LRE, with LRE continuing as the surviving entity and as Vanguard’s wholly owned subsidiary (the “LRE Merger”), and, at the same time, Vanguard acquired all of the limited liability company interests in LRE GP from the GP Sellers in exchange for common units representing limited liability company interests in Vanguard. Under the terms of the

LRE Merger Agreement, each common unit representing interests in LRE (the "LRE common units") was converted into the right to receive 0.550 newly issued Vanguard common units.

As consideration for the LRE Merger, Vanguard issued approximately 15.4 million Vanguard common units valued at $123.3 million based on the closing price per Vanguard common unit of $7.98 at October 5, 2015 and assumed $290.0 million in debt. The debt assumed was extinguished using borrowings under the Company's Reserve-Based Credit Facility following the close of the LRE Merger. As consideration for the purchase of the limited liability company interests in LRE GP, Vanguard issued 12,320 Vanguard common units.

The LRE Merger was completed following approval, at a Special Meeting of LRE unitholders on October 5, 2015, of the LRE Merger Agreement and the LRE Merger by holders of a majority of the outstanding LRE Common Units.

On October 8, 2015, Vanguard completed the transactions contemplated by the Agreement and Plan of Merger, dated as of May 21, 2015 (the "Eagle Rock Merger Agreement"), by and among Vanguard, Talon Merger Sub, LLC, Vanguard's wholly owned subsidiary ("Eagle Rock Merger Sub"), Eagle Rock Energy Partners, L.P. ("Eagle Rock") and Eagle Rock Energy GP, L.P. ("Eagle Rock GP"). Pursuant to the terms of the Eagle Rock Merger Agreement, Eagle Rock Merger Sub was merged with and into Eagle Rock with Eagle Rock continuing as the surviving entity and as Vanguard's wholly owned subsidiary (the "Eagle Rock Merger").

Under the terms of the Eagle Rock Merger Agreement, each common unit representing limited partner interests in Eagle Rock ("Eagle Rock common unit") was converted into the right to receive 0.185 newly issued Vanguard common units or, in the case of fractional Vanguard common units, cash (without interest and rounded up to the nearest whole cent).

As consideration for the Eagle Rock Merger, Vanguard issued approximately 27.7 million Vanguard common units valued at $258.3 million based on the closing price per Vanguard common unit of $9.31 at October 8, 2015 and assumed $156.6 million in debt. The Company extinguished $122.3 million of the debt assumed using borrowings under its Reserve-Based Credit Facility following the close of Eagle Rock Merger.

The Eagle Rock Merger was completed following (i) approval by holders of a majority of the outstanding Eagle Rock common units, at a Special Meeting of Eagle Rock unitholders on October 5, 2015, of the Eagle Rock Merger Agreement and the Eagle Rock Merger and (ii) approval by Vanguard unitholders, at Vanguard's 2015 Annual Meeting of Unitholders, of the issuance of Vanguard common units to be issued as Eagle Rock Merger Consideration to the holders of Eagle Rock common units in connection with the Eagle Rock Merger.

The pro forma financial statements presented below have been prepared using the acquisition method of accounting for business combinations under U.S. GAAP. Under the acquisition method of accounting, the assets acquired and liabilities assumed from LRE and Eagle Rock were recorded as of the acquisition date at their respective fair values.

On May 19, 2016, pursuant to a Purchase and Sale Agreement dated March 29, 2016 (the “Purchase Agreement”), Vanguard, and its wholly owned subsidiary Vanguard Operating, LLC (“Vanguard Operating”), completed the divestiture of natural gas, oil and natural gas liquids assets in the SCOOP/STACK area in Oklahoma to NonOp Solutions III, L.P. and NonOp Solutions IV LP, entities managed by Titanium Exploration Partners, LLC for an adjusted purchase price of $272.5 million (the “SCOOP/STACK Divestiture”). The purchase price is subject to final purchase price adjustments to be determined based on the transaction’s effective date of January 1, 2016. Proceeds from the sale will be used to reduce borrowings under Vanguard's reserve-based credit facility.

The SCOOP/STACK Divestiture will be treated as a recovery of costs and therefore will be recorded as an adjustment to oil and natural gas properties, with no gain or loss recognized. Vanguard determined that the resulting adjustment does not significantly alter the relationship between the remaining oil and natural properties and the related proved reserves of its reporting unit.

The historical financial information included in the columns entitled “Historical Vanguard” was derived from the unaudited financial statements included in Vanguard’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and the audited financial statements in Vanguard's Annual Report on Form 10-K for the year ended December 31, 2015.

Vanguard’s unaudited pro forma combined balance sheet at March 31, 2016 has been presented to show the effect as if the SCOOP/STACK Divestiture had occurred on March 31, 2016. Vanguard’s unaudited pro forma combined statement of operations for the quarter ended March 31, 2016 and year ended December 31, 2015, have been presented based on Vanguard’s statements of operations, and reflect the pro forma operating results attributable to the LRE Merger, the Eagle Rock Merger and the SCOOP/STACK Divestiture, as if the LRE Merger, the Eagle Rock Merger, the SCOOP/STACK Divestiture and the related transactions had occurred on January 1, 2015.

Pro forma data is based on currently available information and certain estimates and assumptions as explained in the notes to the unaudited pro forma combined financial statements. Pro forma data is not necessarily indicative of the financial results that would have been attained had the LRE Merger, the Eagle Rock Merger, the SCOOP/STACK Divestiture and the related transactions had occurred on January 1, 2015. As actual adjustments may differ from the pro forma adjustments, the pro forma amounts presented should not be viewed as indicative of operations in future periods.

The unaudited pro forma combined financial information presented is based on assumptions that Vanguard believes are reasonable under the circumstances and are intended for informational purposes only. Actual results may differ from the estimates and assumptions used. The unaudited pro forma combined financial information presented is not necessarily indicative of the financial results that would have occurred if these transactions had taken place on the dates indicated, nor is it indicative of future consolidated results.

Note 2 Unaudited Pro forma Combined Balance Sheet

Adjustments (a) - (b) to the unaudited pro forma combined balance sheet as of March 31, 2016 are to reflect the SCOOP/STACK Divestiture:

(a) To record the disposition of certain oil and natural gas properties, imbalance receivable, inventory, suspense payable and asset retirement obligation associated with the oil and natural gas properties divested.

(b) To record the repayment of outstanding debt under the reserve-based credit facility using the proceeds from the SCOOP/STACK Divestiture.

The SCOOP/STACK Divestiture will be treated as a recovery of costs and therefore will be recorded as an adjustment to oil and natural gas properties, with no gain or loss recognized. Vanguard determined that the resulting adjustment does not significantly alter the relationship between the remaining oil and natural properties and the related proved reserves of its reporting unit.

Note 3 Pro Forma Adjustments to the Unaudited Combined Statements of Operations

SCOOP/STACK Divestiture

Adjustments (a) − (d) to the unaudited pro forma combined statement of operations for the three months and year ended March 31, 2016 and December 31, 2015, respectively, are to reflect the SCOOP/STACK Divestiture.

(a) Represents the decrease in oil, natural gas and natural gas liquids sales resulting from the SCOOP/STACK Divestiture.
(b) Represents the decrease in lease operating expenses and production and other taxes resulting from the SCOOP/STACK Divestiture.
(c) Represents the decrease in depreciation, depletion, amortization and accretion resulting from the SCOOP/STACK Divestiture.
(d) Represents the adjustment to interest expense arising from the reduction of the borrowing base under Vanguard's reserve-based credit facility due to the SCOOP/STACK Divestiture.

LRE Merger

Adjustments (e) − (f) to the unaudited pro forma combined statement of operations for the year ended December 31, 2015 include reclassifications required to conform LRE's revenue and expense items to Vanguard's presentation as follows:

(e) Represents the reclassification of LRE's other income sales to conform to Vanguard's natural gas product sales presentation.

(f) Represents the reclassification of LRE's income tax expense to conform to Vanguard's presentation.

Adjustments (g) − (m) to the unaudited pro forma combined statements of operations for the year ended December 31, 2015 are to reflect the LRE Merger and the conversion of LRE's method of accounting for oil and natural gas properties from the successful efforts method of accounting to the full cost method of accounting.

(g) Represents the capitalization of unsuccessful exploration costs, geological and geophysical costs and delay rentals attributable to the development of oil and natural gas properties in accordance with the full cost method of accounting for oil and natural gas properties.

(h) Represents the change in depreciation, depletion and amortization primarily resulting from the pro forma calculation of the combined entity's depletion expense under the full cost method of accounting for oil and natural gas properties.

(i) Represents the change in accretion expense using Vanguard's asset retirement obligations estimates.

(j) Represents the adjustment to eliminate the loss on settlement of asset retirement obligations to conform to Vanguard's full cost method of accounting for oil and natural gas properties.

(k) Represents the elimination of certain general and administrative expenses resulting from LRE not being a separate public company after the completion of the LRE Merger, including NYSE listing fees and SEC filing fees.

(l) Represents the adjustment to interest expense arising from borrowings under Vanguard's reserve-based credit facility used to terminate LRE's credit agreement and term loan agreement and the extinguishment of the related debt outstanding. We eliminated the interest expense recorded by LRE and calculated pro forma interest expense based on the long-term debt assumed of $290.0 million and Vanguard's variable interest rate as of October 5, 2015 of 2.45%. The effect on net income of a 1/8 percent variance in interest rates would be $0.7 million for the year ended December 31, 2015.

(m) Represents the adjustment for the weighted average number of units from the issuance of approximately 15.4 million Vanguard common units under the terms of the LRE Merger, which consists of 15.4 million common units issued to the former LRE unitholders and 12,320 common units issued to the former members of LRE GP, whereby LRE's

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public unitholders received 0.550 Vanguard common units for each LRE common unit held at closing.

Eagle Rock Merger

Adjustments (n) − (p) to the unaudited pro forma combined statements of operations for the year ended December 31, 2015 include reclassifications required to conform Eagle Rock's revenue and expense items to Vanguard's presentation as follows:

(n) Represents the reclassification of Eagle Rock's natural gas, natural gas liquids, oil, condensate and sulfur revenues to conform to Vanguard's oil sales, natural gas sales and NGLs sales presentation.

(o) Represents the reclassification of Eagle Rock's other income sales to conform to Vanguard's natural gas product sales presentation.

(p) Represents the reclassification of Eagle Rock's income on short term investments to conform to Vanguard's presentation.

Adjustments (q) − (v) to the unaudited pro forma combined statements of operations for the year ended December 31, 2015 are to reflect the Eagle Rock Merger.

(q) Represents the change in depreciation, depletion and amortization primarily resulting from the pro forma calculation of the combined entity's depletion expense under the full cost method of accounting for oil and natural gas properties.

(r) Represents the change in accretion expense using Vanguard's asset retirement obligations estimates.

(s) Represents the elimination of certain general and administrative expenses resulting from Eagle Rock not being a separate public company after the completion of the Eagle Rock Merger, including NASDAQ listing fees and SEC filing fees.

(t) Represents the adjustment to interest expense arising from borrowings under Vanguard's reserve-based credit facility used to terminate Eagle Rock's credit agreement and term loan agreement and the extinguishment of the related debt outstanding. Interest expense recorded by Eagle Rock included interest for its senior notes and revolving credit facility. We eliminated the interest expense recorded by Eagle Rock related to the revolving credit facility only and calculated pro forma interest expense. We applied Vanguard's monthly variable interest rate, which ranged from 2.18% to 2.45% in 2015, to Eagle Rock's monthly outstanding balance to calculate the pro forma interest expense adjustment. The effect on net income of a 1/8 percent variance in interest rates would be $0.3 million for the year ended December 31, 2015.

(u) Represents the elimination of nonrecurring bargain purchase gain recognized in the Eagle Rock Merger.

(v) Represents the adjustment for the weighted average number of units from the issuance of approximately 27.7 million Vanguard common units under the terms of the Eagle Rock Merger, whereby Eagle Rock's public unitholders received 0.185 Vanguard common units for each Eagle Rock common unit held at closing. Since the combined results of operations after giving effect to the merger and the Eagle Rock merger results in a net loss, 0.16 million Vanguard phantom units were excluded from the calculation of pro forma diluted earnings per unit due to their anti-dilutive effect.

Note 4 Supplemental Oil and Gas Information (Unaudited)

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, 2015. The pro forma information for the year ended December 31, 2015 gives effect to the LRE Merger and the Eagle Rock Merger (but not the SCOOP/STACK Divestiture) as if they occurred on January 1, 2015. 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, 2015 are as follows:

	Natural Gas (in MMcf)				
	Vanguard Historical	**LRE Historical**	**Eagle Rock Historical**	**Pro Forma Adjustments(a)**	**Vanguard/Pro forma Combined**
Net proved reserves					
January 1, 2015	1,475,867	96,725	169,093	—	1,741,685
Revisions of previous estimates	(133,234)	(28,318)	48,542	—	(113,010)
Extensions, discoveries and other	46,664	—	—	—	46,664
Purchases of reserves	271,504	—	—	(271,504)	—
Production	(106,615)	(6,047)	(13,180)	4,689	(121,153)
December 31, 2015	1,554,186	62,360	204,455	(266,815)	1,554,186

	Oil (in MBbls)				
	Vanguard Historical	**LRE Historical**	**Eagle Rock Historical**	**Pro Forma Adjustments(a)**	**Vanguard/Pro forma Combined**
Net proved reserves					
January 1, 2015	50,049	13,106	11,017	—	74,172
Revisions of previous estimates	(4,208)	(4,205)	3,841	—	(4,572)
Extensions, discoveries and other	640	—	—	—	640
Purchases of reserves	21,826	—	—	(21,826)	—
Sales of reserves in place	(225)	—	—	—	(225)
Production	(4,008)	(1,100)	(1,468)	635	(5,941)
December 31, 2015	64,074	7,801	13,390	(21,191)	64,074

	Natural Gas Liquids (in MBbls)				
	Vanguard Historical	**LRE Historical**	**Eagle Rock Historical**	**Pro Forma Adjustments(a)**	**Vanguard/Pro forma Combined**
Net proved reserves					
January 1, 2015	42,529	4,618	13,834	—	60,981
Revisions of previous estimates	(2,151)	(1,473)	5,116	—	1,492
Extensions, discoveries and other	659	—	—	—	659
Purchases of reserves	20,836	—	—	(20,836)	—
Production	(3,489)	(325)	(1,321)	387	(4,748)
December 31, 2015	58,384	2,820	17,629	(20,449)	58,384

(a) To adjust the amount of purchases of reserves representing the LRE Merger and the Eagle Rock Merger during 2015 included in Vanguard's historical information. The pro forma effect of each acquisition is presented separately in the table above.

Estimated quantities of natural gas, oil and natural gas liquids reserves as of December 31, 2015 are as follows:

	Vanguard Historical[(a)]
Estimated proved reserves:	
Natural Gas (MMcf)	1,554,186
Oil (MBbls)	64,074
Natural Gas Liquids (MBbls)	58,384
MMcfe	2,288,934
Estimated proved developed reserves:	
Natural Gas (MMcf)	1,069,942
Oil (MBbls)	54,945
Natural Gas Liquids (MBbls)	42,140
MMcfe	1,652,452

(a) Includes Vanguard's, the LRE Merger's and the Eagle Rock Merger's estimated net proved and proved developed oil, natural gas and natural gas liquids reserves as of December 31, 2015. Vanguard's Historical estimated net proved and proved developed oil, natural gas and natural gas liquids reserves as of December 31, 2015 include 238,589 MMcfe related to the SCOOP/STACK Divestiture.

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, 2015 is as follows (in thousands):

	Vanguard Historical[(a)]
Future cash inflows	$ 7,500,445
Future production costs	(3,105,260)
Future development costs	(664,254)
Future net cash flows	3,730,931
10% annual discount for estimated timing of ısh flows	(2,008,434)
Standard measure of discounted future cash flows	$ 1,722,497

(a) The historical standardized measure includes Vanguard, the LRE Merger and the Eagle Rock Merger.

For the December 31, 2015 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 $50.20 per barrel of crude oil and $2.62 per MMBtu for natural gas for Vanguard Historical, adjusted for quality, transportation fees and a regional price differential, and the volume-weighted average price of $16.14 per barrel of natural gas liquids for Vanguard Historical. The natural gas liquids prices were calculated using the differentials for each property to West Texas Intermediate reference price of $50.20

Vanguard Historical. Vanguard may receive amounts different than the standardize measure of discounted cash flow for a number of reasons, including price changes and the effects of Vanguard's 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, 2015 (in thousands):

	Vanguard Historical	LRE Historical	Eagle Rock Historical	Pro Forma Adjustments[a]	Vanguard Pro forma Combined[b]
Sales and transfers, net of production costs	$ (209,997)	$ (38,639)	$ (69,831)	$ 21,141	$ (297,326)
Net changes in prices and production costs	(1,724,757)	(235,874)	(268,172)	—	(2,228,803)
Extensions discoveries and improved recovery, less related costs	17,039	—	—	—	17,039
Changes in estimated future development costs	278,883	19,821	(11,823)	—	286,881
Previously estimated development costs incurred during the period	63,624	23,112	76,252	—	162,988
Revision of previous quantity estimates	(141,045)	(80,444)	145,458	—	(76,031)
Accretion of discount	297,573	44,167	59,424	—	401,164
Purchases of reserves in place	526,245	—	—	(526,245)	—
Sales of reserves	(4,468)	—	—	—	(4,468)
Change in production rates, timing and other	(356,327)	(31,962)	(162,296)	—	(550,585)
Net change in standardized measure	(1,253,230)	(299,819)	(230,988)	(505,104)	(2,289,141)
Standardized measure, January 1, 2015	2,975,727	441,671	594,240	—	4,011,638
Standardized measure, December 31, 2015	$1,722,497	$ 141,852	$ 363,252	$ (505,104)	$ 1,722,497

(a) To adjust the amount of purchases of reserves representing the LRE Merger and the Eagle Rock Merger during 2015 included in Vanguard's historical information. The pro forma effect of each acquisition is presented separately in the table above.

(b) The pro forma standardized measure includes Vanguard, the LRE Merger and the Eagle Rock Merger.