

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **June 5, 2019 (May 31, 2019)**

Vanguard Natural Resources, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-33756
(Commission File Number)

80-0411494
(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**

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

As previously disclosed, Vanguard Natural Resources, Inc. (the “Company”) and certain subsidiaries (such subsidiaries, together with the Company, the “Debtors”) filed voluntary petitions for relief (the cases commenced thereby, the “Chapter 11 Cases”) under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Chapter 11 Cases were administered under the caption In re Vanguard Natural Resources, Inc. et al.

On May 31, 2019, the Debtors filed their monthly operating report, which included financial information for the month ending April 30, 2019 and for the period covering April 1, 2019 through April 30, 2019 (the “Monthly Operating Report”) with the Bankruptcy Court. The Monthly Operating Report is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 7.01 of this Current Report on Form 8-K, including the attached Exhibit 99.1, is being “furnished” pursuant to General Instruction B.2 of Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is not subject to the liabilities of that section and is not deemed incorporated by reference in any of the Company’s filings under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Cautionary Note Regarding the Monthly Operating Report

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the Monthly Operating Report which was not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. The Monthly Operating Report is limited in scope, covers limited time periods, and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Bankruptcy Court. The Monthly Operating Report was not audited or reviewed by independent accountants, was not prepared in accordance with U.S. generally accepted accounting principles, is in a format prescribed by applicable bankruptcy laws, and is subject to future adjustment and reconciliation. There can be no assurance that, from the perspective of an investor or potential investor in the Company’s securities, the Monthly Operating Report is complete. The Monthly Operating Report also contains information for a period which is shorter and otherwise different from those required in the Company’s periodic reports pursuant to the Exchange Act, and such information might not be indicative of the Company’s financial condition or operating results for a period that would be reflected in the Company’s financial statements or in its reports pursuant to the Exchange Act. Information set forth in the Monthly Operating Report should not be viewed as indicative of future results.

Forward-Looking Statements

Statements in this Current Report on Form 8-K that relate to future results and events are not facts and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the Company’s current expectations, estimates and assumptions and, as such, involve certain risks and uncertainties. The ability of the Company to predict results or the actual effects of its plans and strategies is subject to inherent uncertainty. Actual results and events in future periods may differ materially from those expressed or implied by these forward-looking statements because of a number of risks, uncertainties and other factors. All statements other than statements of historical fact, including statements containing the words “intends,” “believes,” “expects,” “will,” and similar expressions, are statements that could be deemed to be forward-looking statements. In addition, the forward-looking statements represent the Company’s views as of the date as of which they were made. The Company anticipates that subsequent events and developments may cause its views to change. However, although the Company may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company’s views as of any date subsequent to the date hereof. Additional factors that may cause results to differ materially from those described in the forward-looking statements are set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019, which were filed with the Securities and Exchange Commission on April 15, 2019 and May 15, 2019, respectively, under the headings “Risk Factors” and “Forward-Looking Statements.”

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Description
99.1	Monthly Operating Report as of April 30, 2019 and for the period covering April 1, 2019 through April 30, 2019, as filed with the United States Bankruptcy Court for the Southern District of Texas, Houston Division on May 31, 2019.

SIGNATURE

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, INC.

Dated: June 5, 2019

By: /s/ Ryan Midgett

Name: Ryan Midgett

Title: Chief Financial Officer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

[Monthly Operating Report as of April 30, 2019 and for the period covering April 1, 2019 through April 30, 2019, as filed with the United States Bankruptcy Court for the Southern District of Texas, Houston Division on May 31, 2019.](#)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

PETITION DATE: 3/31/2019
DISTRICT OF TEXAS: Southern
DIVISION: Houston

MONTHLY OPERATING REPORT SUMMARY FOR APRIL 2019

(\$ in thousands)


MONTH	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
REVENUES (MOR-6)	31,299					
INCOME BEFORE INT. DEPREC./TAX (MOR-6)	214					
NET INCOME (LOSS) (MOR-6)	(20,182)					
PAYMENTS TO INSIDERS (MOR-9)	119					
PAYMENTS TO PROFESSIONALS (MOR-9)	0					
TOTAL DISBURSEMENTS (MOR-8)	40,157					

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE	EXP. DATE	Are all accounts receivable being collected within terms? ⁽¹⁾	Are all post-petition liabilities, including taxes, being paid within terms?	Have any pre-petition liabilities been paid? If so, describe	Prepetition liabilities have been paid in accordance with the applicable court orders	Are all funds received being deposited into DIP bank accounts?	Were any assets disposed of outside the normal course of business? If so, describe	Are all U.S. Trustee Quarterly Fee Payments current?	What is the status of your Plan of Reorganization?
CASUALTY YES (X) NO ()	7/1/2019	Yes <input type="radio"/> No <input checked="" type="radio"/>	Yes <input type="radio"/> No <input checked="" type="radio"/>		Prepetition liabilities have been paid in accordance with the applicable court orders	Yes <input type="radio"/> No <input checked="" type="radio"/>		Yes <input type="radio"/> No <input checked="" type="radio"/>	
LIABILITY YES (X) NO ()	7/1/2019								
VEHICLE YES (X) NO ()	7/1/2019								
WORKERS YES (X) NO ()	7/1/2019								
D&O LIABILITY YES (X) NO ()	8/1/2019								
								Yes <input type="radio"/> No <input checked="" type="radio"/>	
									The plan was filed on April 30, 2019 as docket # 230.

ATTORNEY NAME: James Grogan
FIRM NAME: Blank Rome
ADDRESS: 717 Texas Avenue
ADDRESS: Suite 1400
CITY, STATE, ZIP: Houston, TX 77002
TELEPHONE: (713) 632-8652

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED  TITLE: Chief Financial Officer
(ORIGINAL SIGNATURE)
Ryan Midgett May 30, 2019
(PRINT NAME OF SIGNATORY) DATE

MOR-1

Notes:

(1) In ordinary course of business, the Debtors attempt to collect all accounts receivable within terms; however, certain receivables are collected outside of contractual terms.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

COMPARATIVE BALANCE SHEETS

ASSETS (\$ in thousands)	FILING DATE * ⁽¹⁾	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
CURRENT ASSETS							
Cash & Cash Equivalents ⁽²⁾	9,262	41,967					
Accounts Receivable, net	55,118	45,941					
Prepaid Drilling Costs	12,519	7,373					
Other	11,936	11,225					
TOTAL CURRENT ASSETS	88,836	106,506					
PROPERTY, PLANT & EQUIPMENT							
Proved Properties	1,523,831	1,523,364					
Unproved Properties	81,597	81,435					
WIP	39,930	45,922					
Less Accumulated DD&A	(302,521)	(313,203)					
TOTAL OIL & NATURAL GAS PP&E	1,342,836	1,337,517					
Other Property & Equipment	1,639	1,627					
Less Accumulated Depreciation	(942)	(969)					
TOTAL OTHER PP&E	696	658					
OTHER ASSETS							
Right of Use Asset	15,503	14,812					
Other Intangibles	2,116	2,111					
Derivatives	1,948	(0)					
Other Assets	14,231	13,821					
TOTAL OTHER ASSETS	33,798	30,744					
Total Assets	\$1,466,166	\$1,475,426					

* Per Schedules and Statement of Affairs

MOR-2

Notes:

- (1) Cash balance as of March 31, 2019 excludes royalty checks which were not released until the royalty order was signed on April 1, 2019.
(2) Cash balance includes restricted cash.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

COMPARATIVE BALANCE SHEETS

LIABILITIES & STOCKHOLDERS' EQUITY <i>(\$ in thousands)</i>	<i>FILING DATE</i> * March 2019	MONTH April 2019	MONTH May 2019	MONTH June 2019	MONTH July 2019	MONTH August 2019	MONTH September 2019
LIABILITIES							
POST-PETITION LIABILITIES (MOR-4)	0	193,582					
PRE-PETITION LIABILITIES							
Secured Debt	801,155	801,155					
Lease Liabilities	16,054	15,413					
Second Lien Secured Debt	80,722	80,722					
Asset Retirement Obligation ⁽¹⁾	145,041	0					
Other Liabilities ⁽²⁾	151,342	132,687					
TOTAL PRE-PETITION LIABILITIES	1,194,316	1,029,978					
TOTAL LIABILITIES	1,194,316	1,223,560					
STOCKHOLDERS' EQUITY (DEFICIT)							
COMMON STOCK	20	20					
ADDITIONAL PAID-IN CAPITAL	509,477	509,674					
RETAINED EARNINGS: Filing Date	(237,646)	(237,646)					
RETAINED EARNINGS: Post Filing Date	0	(20,182)					
TOTAL STOCKHOLDERS' EQUITY (NET WORTH)	271,851	251,865					
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$1,466,166	\$1,475,426					

* Per Schedules and Statement of Affairs

MOR-3

Notes:

- (1) ARO liability is recorded quarterly and is classified as post-petition (not subject to compromise) for the purposes of the Monthly Operating Report.
(2) Other Liabilities include accounts payable, oil and gas revenue payable, commodity derivatives, and other liability accruals.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

SCHEDULE OF POST-PETITION LIABILITIES

	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
<i>(\$ in thousands)</i>						
ACCOUNTS PAYABLE	1,360					
ACCRUED TAXES & MARKETING	1,104					
SECURED DEBT POST-PETITION	20,000					
ACCRUED INTEREST PAYABLE	115					
ACCRUED PROFESSIONAL FEES *	7,019					
OTHER LIABILITIES	770					
1. Lease Operating and Capital Accrued Expenses	8,754					
2. Revenue Payable	8,028					
3. Asset Retirement Obligation ⁽¹⁾	144,967					
4. General, Administrative, and Other Accruals	1,465					
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$193,582					

*Payment Requires Court Approval

MOR-4

Notes:

(1) ARO liability is recorded quarterly and is classified as post-petition (not subject to compromise) for the purposes of the Monthly Operating Report.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

**AGING OF POST-PETITION LIABILITIES
APRIL 2019**

(\$ in thousands)

DAYS	TOTAL	TRADE ACCOUNTS	ACCRUED TAXES & MARKETING	LEASE OPERATING & CAPITAL ACCRUAL	REVENUE PAYABLE	OTHER
0-30	48,615	1,360	1,104	8,754	8,028	29,370
31-60	0	0	0	0	0	0
61-90	0	0	0	0	0	0
91+	0	0	0	0	0	0
TOTAL ⁽¹⁾⁽²⁾	\$48,615	\$1,360	\$1,104	\$8,754	\$8,028	\$29,370

AGING OF ACCOUNTS RECEIVABLE

(\$ in thousands)

MONTH	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
0-30 DAYS	31,859					
31-60 DAYS	3,316					
61-90 DAYS	1,677					
91+ DAYS	9,089					
TOTAL ⁽³⁾	\$45,941					

MOR-5

Notes:

- (1) This may include disputed payables.
(2) Due to the nature of the liabilities, Asset Retirement Obligations of approximately \$145 million are excluded from the aging of post-petition liabilities.
(3) Accounts Receivable includes oil and gas receivables, JIB receivables, and other miscellaneous receivables.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

STATEMENT OF INCOME (LOSS)

<i>(\$ in thousands)</i>	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	FILING TO DATE
REVENUES (MOR-1)	31,299						31,299
GATHERING, PROCESSING & TRANSPORTATION	4,329						4,329
GROSS PROFIT	26,970						26,970
OPERATING EXPENSES:							
LOE	9,770						9,770
General & Administrative	3,509						3,509
Insiders Compensation	119						119
Restructuring Costs ⁽¹⁾	10,728						10,728
Production & Ad Valorem Taxes	2,596						2,596
Exploration Expense	34						34
TOTAL OPERATING EXPENSES	26,756						26,756
INCOME BEFORE INT, DEPR/TAX (MOR-1)	214						214
INTEREST EXPENSE	193						193
DEPRECIATION, DEPLETION, AND AMORTIZATION	11,165						11,165
OTHER (INCOME) EXPENSE ⁽²⁾	9,038						9,038
OTHER ITEMS*	0						0
TOTAL INT, DEPR & OTHER ITEMS	20,396						20,396
NET INCOME BEFORE TAXES	(20,182)						(20,182)
FEDERAL INCOME TAXES	0						0
NET INCOME (LOSS) (MOR-1)	(\$20,182)						(\$20,182)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Notes:

(1) Includes restructuring costs from the 2017 and 2019 bankruptcy filings.

(2) Includes termination of commodity derivatives.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

CASH RECEIPTS AND DISBURSEMENTS (\$ in thousands)	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	FILING TO DATE ⁽¹⁾
1. CASH-BEGINNING OF MONTH	\$12,532						\$12,532
RECEIPTS:							
2. CASH SALES	0						0
3. COLLECTION OF ACCOUNTS RECEIVABLE	49,140						49,140
4. LOANS & ADVANCES (attach list)	20,000						20,000
5. SALE OF ASSETS	0						0
6. OTHER (attach list)	452						452
TOTAL RECEIPTS	69,592						69,592
(Withdrawal) Contribution by Individual Debtor MFR-2 *	0						0
DISBURSEMENTS:							
7. NET PAYROLL	2,880						2,880
8. PAYROLL TAXES PAID ⁽²⁾	0						0
9. SALES, USE & OTHER TAXES PAID	6,046						6,046
10. SECURED RENTAL/LEASES	602						602
11. UTILITIES & TELEPHONE	120						120
12. INSURANCE	0						0
13. INVENTORY PURCHASES	0						0
14. VEHICLE EXPENSES	75						75
15. TRAVEL & ENTERTAINMENT	113						113
16. MARKETING & TRANSPORTATION	3,191						3,191
17. ADMINISTRATIVE & SELLING	100						100
18. ROYALTIES	11,079						11,079
19. LEASE OPERATING EXPENSE & CAPITAL EXPENDITURE	12,549						12,549
20. LAND	105						105
21. OTHER (attach list)	0						0
TOTAL DISBURSEMENTS FROM OPERATIONS	36,861						36,861
22. PROFESSIONAL FEES	988						988
23. U.S. TRUSTEE FEES	0						0
24. OTHER REORGANIZATION EXPENSES (attach list)	2,308						2,308
TOTAL DISBURSEMENTS	40,157						40,157
25. NET CASH FLOW	29,435						29,435
26. CASH - END OF MONTH (MOR-2)	\$41,967						\$41,967

* Applies to Individual debtors only

MOR-7

Notes:

- (1) There were no post-petition disbursements in March 2019.
(2) Payroll taxes are paid to Insperty and included in net payroll.

MOR-7a
Cash Receipts & Disbursements Support

Loans & Advances

(\$ in thousands)

Receipt	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	FILING TO DATE
Receipt of DIP Funds	20,000						20,000
Total	\$20,000						\$20,000

Other Receipts

Receipt	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	FILING TO DATE
Refund from JIB Partner	452						452
Total	\$452						\$452

Other Reorganization Expenses Support

Expense	April 2019	May 2019	June 2019	July 2019	August 2019	September 2019	FILING TO DATE ⁽¹⁾
DIP Fees	2,308						2,308
Total	\$2,308						\$2,308

MOR-7a

(1) There were no post-petition disbursements in March 2019.

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

**CASH ACCOUNT RECONCILIATION
MONTH OF APRIL**

(\$ in thousands)

BANK NAME	Capital One	Capital One	Capital One	Capital One	Wells Fargo	Capital One	Capital One	
ACCOUNT NUMBER	#4917	#1271	#5646	#5638	#1301	#1814	#5603	
ACCOUNT TYPE	<i>Master Operating Account</i>	<i>Adequate Assurance Account</i>	<i>Account Related to Former Chapter 11 Estates</i>	<i>Account Related to Former Chapter 11 Estates</i>	<i>VNG Vendor Account</i>	<i>Secondary Operating Account</i>	<i>VNR Finance Account</i>	<i>TOTAL</i> ⁽¹⁾ ⁽²⁾
BANK BALANCE	47,292	446	3,750	0	39	250	0	51,777
NET TIMING ADJUSTMENTS DUE TO/(FROM) BANK		0	0	0	0	0	0	0
OUTSTANDING CHECKS	9,740	0	0	0	0	69	0	9,810
ADJUSTED BANK BALANCE	\$37,552	\$446	\$3,750	\$0	\$39	\$181	\$0	\$41,967
BEGINNING CASH - PER BOOKS	8,508	0	3,750	0	39	235	0	12,532
RECEIPTS	49,356	0	0	0	0	20,236	0	69,592
TRANSFERS BETWEEN ACCOUNTS	12,562	446	0	0	0	(13,008)	0	0
(WITHDRAWAL) OR CONTRIBUTION BY DEBTOR INDIVIDUAL MFR-2	0	0	0	0	0	0	0	0
CHECKS/OTHER DISBURSEMENTS	(32,874)	0	0	0	(0)	(7,282)	(0)	(40,157)
ENDING CASH - PER BOOKS	\$37,552	\$446	\$3,750	\$0	\$39	\$181	\$0	\$41,967

MOR-8

Notes:

- (1) Does not include the segregated bank account held at US Bank (x7000), which has a balance of \$1,127,418.
(2) Does not include the Employee Relief Account held at Capital One (x0453), which has a balance of \$4,773.

MOR-8a
Schedule of Disbursements by Debtor Entity
For the Period April 1, 2019 through April 30, 2019
(Unaudited)

(\$ in thousands)

Debtor Entity	Case No.	Total Disbursement	
		Current Period	Current Quarter
Vanguard Natural Resources, Inc.	19-31786	\$0	\$0
Eagle Rock Acquisition Partnership, L.P.	19-31787	0	0
Eagle Rock Acquisition Partnership II, L.P.	19-31788	0	0
Eagle Rock Energy Acquisition Co., Inc.	19-31789	0	0
Eagle Rock Energy Acquisition Co. II, Inc.	19-31790	0	0
Eagle Rock Upstream Development Company, Inc.	19-31791	0	0
Eagle Rock Upstream Development Company II, Inc.	19-31792	0	0
Escambia Asset Co. LLC	19-31793	0	0
Escambia Operating Co. LLC	19-31794	0	0
Vanguard Natural Gas, LLC	19-31795	7,282	7,282
Vanguard Operating, LLC	19-31796	32,874	32,874
VNR Holdings, LLC	19-31797	0	0
Total Disbursements for Calculating U.S. Trustee Quarterly Fees		\$40,157	\$40,157

MOR-8a

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

(\$ in thousands)

INSIDERS: NAME/POSITION//COMP TYPE			April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
1.	RICHARD SCOTT SLOAN	CEO Salary	60					
2.	RYAN MIDGETT	CFO Salary	27					
3.	JONATHAN CURTH	GC Salary	32					
4.								
5.								
6.								
TOTAL INSIDERS (MOR-1)			\$119					

(\$ in thousands)

PROFESSIONALS: NAME/ORDER DATE			April 2019	May 2019	June 2019	July 2019	August 2019	September 2019
1.	BLANK ROME LLP	April 23, 2019	0					
2.	DELOITTE TAX LLP	May 21, 2019	0					
3.	EVERCORE GROUP LLC	April 23, 2019	0					
4.	KIRKLAND & ELLIS LLP	April 23, 2019	0					
5.	MCCARN & WEIR, P.C.	April 23, 2019	0					
6.	OPPORTUNE	April 23, 2019	0					
7.	PRIME CLERK LLC	April 1, 2019	0					
8.	ROGER SOAPE, INC.	April 23, 2019	0					
TOTAL PROFESSIONALS (MOR-1)			\$0					

MOR-9

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

PETITION DATE: 3/31/2019

MONTHLY OPERATING REPORT NOTES FOR APRIL 30, 2019

Basis of Presentation

The accompanying consolidated financial statements of the Debtors have been prepared solely for the purpose of complying with the monthly reporting requirements of the U.S. Bankruptcy Court for the Southern District of Texas (the “Monthly Operating Report”). The Monthly Operating Report is limited in scope, covers a limited time period and the schedules contained herein were not audited or reviewed by independent accountants nor are they intended to reconcile to any financial statements otherwise prepared or distributed by the Debtors or any of the Debtors’ affiliates. The unaudited financial statements have been derived from the books and records of the Debtors. Because the Debtors’ accounting systems, policies, and practices were developed with a view to producing consolidated financial reporting on a quarterly basis, rather than by legal entity on a monthly basis, it is possible that not all assets or liabilities have been recorded at the correct legal entity of the Debtor. The Debtors reserve all rights to supplement or amend any schedules contained in this Monthly Operating Report.

The information presented here is unaudited, subject to further review and material adjustments, and has not been subject to all procedures that would typically be applied to financial information presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”), including, but not limited to, accruals, impairment adjustments, fair value assessments, tax provision, and other recurring adjustments considered necessary by management to fairly state the financial position and results of operations for the interim period(s) presented. Upon the application of such procedures, the Debtors believe that the financial information could be subject to changes, and these changes could be material. The information furnished in this Monthly Operating Report includes normal recurring adjustments, but does not include all of the adjustments that would typically be made for interim financial statements in accordance with U.S. GAAP.

As part of their restructuring efforts, the Debtors are reviewing their assets and liabilities on an ongoing basis, including without limitation with respect to intercompany claims and obligations, and nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors’ rights with respect to such assets, liabilities, claims and obligations that may exist.

The Debtors caution readers not to place undue reliance upon the information contained in this Monthly Operating Report. The results herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the combined results of operations, financial position, and schedule of receipts and disbursements of the Debtors in the future.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

PETITION DATE: 3/31/2019

MONTHLY OPERATING REPORT NOTES FOR APRIL 30, 2019

Treatment of Intercompany Transactions

The Debtors have not made any determination that tax refunds or attributes are assets or liabilities of a particular Debtor and the Debtors reserve all of their rights on this issue.

Pursuant to the Final Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System and Maintain Existing Bank Accounts and (B) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief [Docket No. 181], the Debtors have kept detailed information on all post-Petition Date transfers of cash among the Debtors for the period covered by the Monthly Operating Report, as described in further detail in this Report.

Treatment of Certain Liabilities and GAAP Disclosures

As a result of the chapter 11 filings, the payment of prepetition indebtedness is subject to compromise or other treatment under a plan of reorganization. The determination of how liabilities will ultimately be settled or treated cannot be made until the Bankruptcy Court approves a chapter 11 plan of reorganization. Accordingly, the ultimate amount of such liabilities is not determinable at this time. ASC 852 requires prepetition liabilities that are subject to compromise to be reported at the amounts expected to be allowed as claims, even if they may be settled for lesser amounts. The amounts currently classified as liabilities subject to compromise are preliminary and may be subject to future adjustments depending on Court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, rejection of executory contracts, continued reconciliation or other events.

The Monthly Operating Report does not contain all disclosures that would be required for presentation in accordance with US GAAP and there can be no assurance that, from the perspective of an investor or potential investor, the Monthly Operating Report contains information that would be typical of financial statements filed with the Securities and Exchange Commission. For instance, for the period commencing on the Petition Date and thereafter, the company stopped accrued interest on prepetition indebtedness until further review of these obligations is completed.

The Debtors' consolidated financial statements in this report have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business. Certain prepetition liabilities have been reclassified as liabilities subject to compromise. Liabilities subject to compromise currently include, among other things, funded debt obligations and amounts due to third parties for goods and services received prior to the Petition Date. The Debtors continue to analyze and reconcile these amounts, and, therefore, the amounts reflected herein are current estimates and subject to material change as additional analysis and decisions are completed.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME: Vanguard Natural Resources, Inc.
CASE NUMBER: 19-31786

PETITION DATE: 3/31/2019

MONTHLY OPERATING REPORT NOTES FOR APRIL 30, 2019

Treatment of Reorganization Costs

ASC 852 requires expenses and income directly associated with the chapter 11 filings to be reported separately in the income statement as reorganization items. Reorganization items includes write off of discount, premium, debt issuance costs, and derivatives associated with long-term debt, expenses related to legal advisory and representation services, other professional consulting and advisory services, estimates of claims allowed related to legal matters and rejected executory contracts and changes in liabilities subject to compromise recognized as there are changes in amounts expected to be allowed as claims.

Reservation of Rights

Given the complexity of the Debtors' business, inadvertent errors, omissions or over inclusion of contracts or leases may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation or other statement in this Monthly Operating Report and reserve the right to amend or supplement this Monthly Operating Report, if necessary, but shall be under no obligation to do so.

Reporting Period

Unless otherwise noted herein, the Monthly Operating Report generally reflects the Debtors' books and records and financial activity occurring during the applicable reporting period. For the purposes of this Monthly Operating Report, the period reflects March 31, 2019 through and including April 30, 2019. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

Accuracy

The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.