

**VANGUARD NATURAL RESOURCES, LLC
CORPORATE GOVERNANCE GUIDELINES**

A. Role of the Board of Directors

The business and affairs of Vanguard Natural Resources, LLC, a Delaware limited liability company (the “Company”), shall be managed by the executive management of the Company under the direction of the Board of Directors (the “Board”), except as may otherwise be provided by law, the Certificate of Formation or the limited liability company agreement of the Company, as may be amended or restated from time to time (the “Operating Agreement”).

B. Board Membership

1. Size of the Board

The Operating Agreement provides that the number of directors shall be fixed from time to time by resolution of the Board and may be increased or decreased (except that the Board shall not decrease the number of directors if such decrease would shorten the term of any Director) by resolution of the Board, and initially sets the number of directors at three (3). The Nominating and Corporate Governance Committee shall periodically review the appropriate size of the Board, with the goal that the size of the Board maintains needed expertise and independence without becoming too large to function efficiently.

2. Independent Directors

A majority of the Board shall be composed of “independent” directors, as that term is defined from time to time by the listing standards of NYSE Arca, within 12 months of the Company’s common units being listed on the NYSE Arca. As required by such listing standards, in assessing independence, the Board shall make a determination whether a director has any material relationship with the Company (directly or as a partner, unitholder or officer of an organization that has a relationship with the Company). In making this determination, the Board shall take into account the considerations set forth on Annex A attached hereto. The basis for the Board’s determination that a relationship is not material must be disclosed in the Company’s annual proxy statement. In lieu thereof, the Board may adopt and disclose categorical standards to assist it in making determinations of independence and may make a general disclosure if a director meets these standards.

3. Selection of Director Nominees

All candidates shall be evaluated and recommended for nomination by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for establishing the selection criteria for candidates from time to time and reviewing with the Board such criteria and the appropriate skills and characteristics required of Board members in the context of the then-current make-up of the Board. At a minimum, the Nominating and Corporate Governance Committee must be satisfied that each director has the business and/or professional knowledge and experience applicable to the Company, its business and the goals and perspectives of its unitholders; is well regarded in the community, with a long-term, good reputation for highest ethical standards; has good common sense and judgment; has a

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positive record of accomplishment in present and prior positions; has an excellent reputation for preparation, attendance, participation, interest and initiative on other boards on which he or she may serve; and has the time, energy, interest and willingness to become involved in the Company and its future.

Nominations to the Board may also be submitted to the Nominating and Corporate Governance Committee by the Company's unitholders in accordance with the procedures set forth in Section 11.13 of the Company's Operating Agreement. The Nominating and Corporate Governance Committee shall consider the recommendations of the Company's unitholders with respect to candidates for election to the Board of Directors on the same basis as recommendations made by the Board of Directors or management of the Company.

4. Individual Director's Responsibilities

All directors are expected to set aside sufficient time in their schedules to fulfill their duties to the Company and its unitholders. All directors are expected to attend all meetings of the Board and of Committees of which they are members either in person or telephonically unless exigencies otherwise warrant. Additionally, all directors are expected to attend all annual unitholder meetings. They are expected to be prepared for each meeting, by reviewing the advance materials and otherwise to participate actively in the Board's or relevant Committee's deliberations.

All directors are expected to comply with the Company's policies, procedures, practices and codes of conduct, including pre-clearance and blackouts on trading activity and avoidance of conflicts of interest.

5. Term and Board Service Limits

The Board does not believe that it should establish term limits, as it believes there is a significant advantage of maintaining the experience and insight into the Company and its operations gained by directors over time.

Directors shall be elected at each annual meeting of Members to serve for a term expiring at the next annual meeting of Members.

The Board does not believe that it should set a predetermined limit on the number of boards on which a director may serve. However, the value of Board members who can provide a wider perspective and best practices learned in other directorships must be balanced against the necessary commitment to the Company. To enable the Nominating and Corporate Governance Committee to assess potential conflicts of interest, if any, or potential interlocking directorships, each director must notify the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve as a member on another board of directors.

6. Evaluations of Board and Director Performance

The Board shall conduct an annual self-evaluation of the Board and each of its committees. The Nominating and Corporate Governance Committee shall develop the processes and procedures

for evaluating the performance of the Board and each committee and shall evaluate the performance of individual directors prior to their re-nomination.

7. *New Director Orientation*

New directors shall receive an orientation through a combination of presentations and written materials. This process will assist new directors in acquainting themselves with the Company's business and its policies.

8. *Director Education*

The Company shall make continuing educational opportunities available for its directors in the areas of company governance, financial reporting, executive compensation and other areas of interest or concern to the Board. The Company shall also provide appropriate information to directors regarding changes in the Company's business and industry, as well as the responsibilities of directors in fulfilling their duties.

9. *Change in Principal Occupation*

Company officers who also serve as directors must tender their resignations from the Board at the same time that they retire or resign from the Company. Furthermore, Company officers ("Dual-Service Officers") who are also employed by the Company or any of its affiliates (not including the Company) shall, upon the request of the then-serving Directors, tender to the Chairman of the Nominating and Corporate Governance Committee their resignations as officers of the Company upon the termination of their employment by the Company or such affiliate; provided, however, that, if the Dual-Service Officer whose employment is so terminated is also serving as a Director, such Dual-Service Officer shall not participate in the decision to request such resignation. Any director who experiences a significant change in responsibilities or assignment in connection with the current occupation (excluding changes in positions on other boards) of such director shall give notice of such change in occupation and tender his or her resignation to the Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee, in its discretion, shall determine whether any such resignation is accepted.

C. Board Leadership

The Chairman of the Board shall chair each Board meeting. In his or her absence, the Operating Agreement shall govern who shall chair the Board meeting.

D. Board and Committee Meetings

1. *Schedule*

The Board believes that regular meetings at appropriate intervals are desirable for the performance of their responsibilities. The Board shall regularly meet four times a year. The Chairman of the Board shall prepare a schedule of regular Board and Committee meetings on an annual basis and timely notify the Board of any changes in the schedule.

Special meetings of the Board or a Committee may be called at any time by the Chairman of the Board or as otherwise provided in the Operating Agreement.

2. *Agendas*

The Chairman of the Board shall establish the agenda for each Board meeting and distribute the agenda in advance to the Board. Board members may add items to be included on the agendas and raise at any Board meeting subjects that are not on the agenda for that meeting.

The Committee chair shall establish and arrange for the distribution of an agenda to each Committee member in advance of a Committee meeting.

3. *Advance Materials*

To the extent practicable, the Secretary shall deliver to the Board or each Committee member in advance of each meeting of the Board or any Committee materials and information relating to the matters to be considered at the meeting.

4. *Executive Sessions*

Executive sessions of the non-management directors shall be held after each regular meeting of the Board and at such other times as the non-management directors may choose. The non-management directors may request Company personnel, consultants and other advisors to make presentations or participate in discussions at such meetings.

There shall be a Lead Director who shall be the Chairman of the Nominating and Corporate Governance Committee. The Lead Director shall: (1) preside at all Board meetings where the Chairman of the Board is not present; (2) serve as a liaison between the Chairman of the Board and the independent directors; (3) approve information sent to the Board; (4) approve meeting agendas for the Board; (5) approve meeting schedules to assure sufficient time to discuss all items; (6) have the authority to call meetings of the non-management directors; (7) ensure his or her availability for direct consultation upon request of a major unitholder; (8) chair the executive session of non-management directors; and (9) serve as a contact for unitholder complaints, other than those involving auditing/accounting matters.

The Secretary shall promptly forward unitholder communications which he or she determines to be significant to the Directors, and keep a record of all unitholder communications that he or she deems not to be significant and report such communications to the Board on a periodic basis, but not less frequently than quarterly. Any communication specifically directed to the Lead Director shall be promptly forwarded by the Secretary to the Lead Director.

E. Committees

1. *Standing Committees*

The Company currently has four standing Committees of the Board: Audit, Compensation, Nominating and Corporate Governance and Conflicts Committee. The Board shall establish additional committees from time to time to facilitate and assist in the execution of its

responsibilities. These committees shall generally address issues that, because of their complexity, technical nature, time requirements or company governance principles, cannot be adequately or appropriately addressed at meetings of the entire Board. The Board may dissolve a committee at any time to the extent consistent with law, the Operating Agreement and the NYSE Arca listing standards.

2. Responsibilities of Committees

Each Committee shall promptly inform the Board of the actions taken or issues discussed at their meetings. This will generally take place at the Board meeting following a Committee meeting.

The purposes and responsibilities of each Committee are set forth in charters approved by the Board.

3. Evaluation and Compensation of Chief Executive Officer and Succession Planning

The Nominating and Corporate Governance Committee, based on input from the entire Board, shall annually evaluate the performance of the Chief Executive Officer (“CEO”). The evaluation shall be based on the criteria and principles established by that Committee.

The Compensation Committee shall be responsible for determining the appropriate compensation to be paid to the CEO. To assist the Compensation Committee in its determination, the Nominating and Corporate Governance Committee shall provide the Compensation Committee with its most recent evaluation of the CEO’s performance. In making its decision, the Compensation Committee will consider the CEO’s performance, the Company’s performance, the recommendations of independent consultants and reviews of compensation paid to other CEOs at comparable companies.

The Compensation Committee shall develop a succession plan for the CEO and other senior executives. The succession plan shall include the policies and principles underlying the succession of the CEO, including policies regarding succession in the event of emergency or the retirement of the CEO.

4. Qualifications of Members

The members of the Audit, Compensation, Nominating and Corporate Governance and Conflicts Committees shall consist of directors who are “independent,” as defined from time to time in the rules of the NYSE Arca, within the time periods prescribed by the NYSE Arca. The Committee charters for the Audit, Compensation and Nominating and Corporate Governance Committees shall set forth any additional membership requirements.

5. Committee Assignments

The chair and the members of Committees shall be recommended by the Nominating and Corporate Governance Committee and approved by the Board. In the event that the Board does not designate the chair of any Committee, the members of such Committee shall elect their chair. It is generally expected that each Committee chair will have had previous service on the applicable Committee.

F. Board Access to Management

Every Board member shall have full access to the management of the Company. It is assumed that Board members will use judgment to be sure that this contact is not unnecessarily distracting to the business operations of the Company and that such contact, where appropriate, be arranged through the CEO or the Secretary or the appropriate business unit, so that the appropriate expertise and information is available.

G. Access to Advisors

The Board and each of its Committees shall have the authority, at the expense of the Company, to retain such independent accounting, legal and other advisors as it deems appropriate without management approval.

H. Compensation of Non-Employee Directors

The level of compensation of non-employee directors shall be evaluated and recommended by the Compensation Committee and approved by the Board from time to time. Board compensation for non-employee Board members shall consist of an annual retainer and a fee for each Board or committee meeting attended. Such Board members may in the future also receive awards under the Company's long-term incentive plan. Any unit-based compensation that is paid to the members of the Board or the executive officers of the Company must be approved by the Board and, as required by the NYSE Arca or the Securities and Exchange Commission, any plan pursuant to which such unit-based compensation is given must be approved by the unitholders of the Company.

The Compensation Committee shall review director compensation annually.

I. Review of Corporate Governance Guidelines

The Nominating and Corporate Governance Committee shall periodically review these Corporate Governance Guidelines and recommend appropriate changes to the Board.

ANNEX A

- (i) A director who is an employee, or whose immediate family member (defined below) is an executive officer, of the Company is not “independent” until three years after the end of such employment relationship.
- (ii) A director who receives, or whose immediate family member receives, more than \$100,000 in any 12-month period in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not “independent” until three years after receiving more than \$100,000 in such compensation in a 12-month period.
- (iii) A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not “independent” until three years after the end of the affiliation or the employment or auditing relationship.
- (iv) A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company’s present executives serve on that company’s compensation committee is not “independent” until three years after the end of such service or the employment relationship.
- (v) A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of \$200,000, or 5% of such other company’s consolidated gross revenues, is not “independent” until three years after falling below such threshold.

An “executive officer” means any person that would be an “officer” within the meaning of Rule 16(a)-1(f) under the Securities Exchange Act of 1934, as amended.

An “immediate family member” includes a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home.