

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: VANGUARD NATURAL RESOURCES, LLC, <i>et al.</i> , ¹ <div style="text-align: right;">Debtors.</div>	§ § § § § § § § § §	Chapter 11 Case No. 17-30560 (Jointly Administered)
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**DEBTORS’ FIRST MOTION UNDER BANKRUPTCY CODE SECTION 1121(d)
FOR ORDER EXTENDING EXCLUSIVE PERIODS TO FILE
CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

THE DEBTORS HAVE REQUESTED THAT THE COURT SET THIS MOTION FOR HEARING ON MAY 19, 2017, AT 9:00 A.M., PREVAILING CENTRAL TIME, IN COURTROOM 404, 515 RUSK STREET, HOUSTON, TEXAS 77002.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Vanguard Natural Resources, LLC (“VNR”) and its affiliated debtors as debtors in possession in these cases (collectively, “Vanguard” or the “Debtors”) submit their first motion (the “Motion”), pursuant to section 1121(d) of title 11 of the United States Code (the “Bankruptcy Code”), requesting entry of an order, substantially in the form attached hereto as

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Vanguard Natural Resources, LLC (1161); Eagle Rock Acquisition Partnership, L.P. (6706); Eagle Rock Acquisition Partnership II, L.P. (0903); Eagle Rock Energy Acquisition Co., Inc. (4564); Eagle Rock Energy Acquisition Co. II, Inc. (3364); Eagle Rock Upstream Development Company, Inc. (0113); Eagle Rock Upstream Development Company II, Inc. (7453); Encore Clear Fork Pipeline LLC (2032); Escambia Asset Co. LLC (3869); Escambia Operating Co. LLC (2000); Vanguard Natural Gas, LLC (1004); Vanguard Operating, LLC (9331); VNR Finance Corp. (1494); and VNR Holdings, LLC (6371). The Debtors’ service address is: 5847 San Felipe, Suite 3000, Houston, Texas 77057.

Exhibit A, (a) extending Vanguard’s exclusive period under section 1121(c)(2) of the Bankruptcy Code to file a chapter 11 plan to August 15, 2017 and (b) extending Vanguard’s exclusive period under section 1121(c)(3) of the Bankruptcy Code to solicit acceptances of its chapter 11 plan to October 16, 2017. In support of the Motion, Vanguard respectfully states as follows:

PRELIMINARY STATEMENT

1. Less than three months ago, Vanguard commenced these chapter 11 cases in the midst of a liquidity crisis. Since then, Vanguard has worked tirelessly to stabilize its business operations, seek new capital to fund its emergence from chapter 11, and reach consensus with certain stakeholders on the terms of its plan of reorganization. Indeed, on February 25, 2017, Vanguard filed its proposed chapter 11 plan [Docket No. 215] (as amended, supplemented, and modified, the “Plan”)² and related disclosure statement [Docket No. 216] (as amended, supplemented, and modified, the “Disclosure Statement”), which have the support of substantial holders of Vanguard’s prepetition Second Lien Notes and Senior Notes.

2. Although Vanguard has filed the Plan and Disclosure Statement, it is continuing to negotiate with key stakeholders who have not yet agreed on the terms of the Plan, including the RBL Lenders. Indeed, Vanguard has made substantial progress with the steering committee of the RBL Lenders and their other creditor constituencies with respect to the terms and provisions of an acceptable plan. Accordingly, Vanguard believes that approval of Vanguard’s disclosure statement and confirmation of Vanguard’s chapter 11 plan of reorganization are within reach.

² Capitalized terms used but not defined in this Motion have the meanings set forth in the Plan.

3. To preserve Vanguard's substantial progress in these chapter 11 cases, Vanguard seeks an extension of the exclusive period to file and solicit the Plan. In particular, Vanguard seeks to extend the period during which Vanguard has the exclusive right to propose and file a chapter 11 plan to **August 15, 2017** and the period during which Vanguard has the exclusive right to obtain acceptance of such plan to **October 16, 2017**, without prejudice to Vanguard's right to seek further extensions of such periods.

JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue of these cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

4. The statutory basis for the relief requested in this Motion is section 1121(d) of the Bankruptcy Code.

BACKGROUND

5. Commencing on February 1, 2017 (the "Petition Date"), VNR and the other Debtors commenced these chapter 11 cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. These chapter 11 cases have been consolidated for procedural purposes only and are jointly administered pursuant to Bankruptcy Rule 1015(a). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On February 14, 2017, the Office of the United States Trustee for the Southern District of Texas (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee") in these chapter 11 cases. No trustee or examiner has been appointed in these chapter 11 cases.

Vanguard's Business

8. Formed in 2006, VNR is a publicly traded limited liability company that, through its subsidiaries, is engaged in the acquisition, development, and production of oil and gas properties located in eleven states. VNR is the direct or indirect parent company of each of the other Debtors in these chapter 11 cases. Vanguard's assets consist primarily of producing and non-producing natural gas and oil reserves, all of which are located within the continental United States.

9. A description of Vanguard's business, capital structure, and the circumstances leading to the Chapter 11 Cases is set forth in the *Declaration of Richard A. Robert, Chief Financial Officer of Vanguard Natural Resources, LLC, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 6] (the "First Day Declaration"), which is incorporated by reference in this Motion.

Vanguard Has Made Significant Progress in These Chapter 11 Cases

10. On the Petition Date, the Debtors filed an executed Restructuring Support Agreement (the "RSA") with certain parties in interest, including holders of the Second Lien Notes and the Senior Notes. The RSA established certain milestones the Debtors had to meet in order to exit chapter 11 quickly and efficiently. At the heart of Vanguard's proposed restructuring are committed new-money investments that will provide an aggregate of \$275 million in new capital to reorganized Vanguard upon emergence from chapter 11.

11. On February 25, 2017, Vanguard filed the Plan and the Disclosure Statement. That same day, the Debtors filed their *Motion, Pursuant to Bankruptcy Code Sections 105(a) and 363(b) and Bankruptcy Rules 2002 and 6004, for Authority to (a) Enter Into Backstop Agreement and Equity Commitment Agreement and (b) Pay Fees and Expenses Thereunder* [Docket No. 214] (the "Backstop Commitment Motion"). On March 3, 2017, the Debtors filed their motion

for an order approving the Disclosure Statement and solicitation procedures for the confirmation of the Plan (the “Solicitation Procedures Motion”) [Docket No. 296]. On March 20, 2017, the Court granted the Backstop Commitment Motion [Docket No. 424] approving Vanguard’s entry into (a) a backstop commitment agreement with certain holders of the Senior Notes and (b) an equity commitment agreement with certain holders of the Second Lien Notes.

12. Additionally, Vanguard has continued value-maximizing initiatives such as the sale of non-core assets. To that end, Vanguard recently filed a motion for bidding procedures to sell assets in Glasscock County, Texas (the “Glasscock Assets”) [Docket No. 429]. Sale of the Glasscock Assets would be expected to bring more than \$78 million into the Debtors’ estates, which is critical to fund the Debtors’ exit from chapter 11.³ At the same time, however, Encana Oil & Gas (USA) Inc. (“Encana”) has engaged in litigation related to the Glasscock Assets. Encana has raised numerous legal theories that assert rights and even ownership interests in the Glasscock Assets that could potentially impede the sale of those assets by the Debtors. In the event Vanguard does not realize the full proceeds of the Glasscock Asset sale due to the Encana litigation, Vanguard would likely have to reformulate its chapter 11 plan.

13. At the same time, Vanguard and its advisors have been working to preserve and avoid disruption in Vanguard’s existing businesses. To that end, Vanguard obtained Court approval of numerous orders designed to stabilize operations and provide for a smooth transition into chapter 11. These orders address a wide range of issues critical to operating Vanguard’s businesses, including providing wages and benefits to Vanguard’s employees, maintaining access to and continued use of bank accounts and banking services, preserving Vanguard’s insurance programs, and maintaining goodwill with Vanguard’s oil and gas business partners.

³ In addition to the Glasscock Assets, the Debtors are actively exploring sales of three other groups of assets that could raise an additional \$20 million

14. Vanguard has also addressed numerous creditor motions and informal requests by personal injury plaintiffs and trade creditors for relief from the automatic stay, requests by utilities for adequate assurance of payment, and similar relief. Vanguard has worked constructively to reach agreements with the vast majority of these movants and avoid protracted litigation. At the same time, from the outset of these cases, Vanguard has begun the process of determining the contracts and leases that are burdensome to the estates and, thus, should be rejected.

15. In short, the first three months of these chapter 11 cases have been extremely busy and productive. While Vanguard is hopeful that, with the substantial progress made to date, the Plan will be confirmed within the 180-day exclusivity period provided for under the Bankruptcy Code, Vanguard requests an extension of the exclusive periods to file and solicit a chapter 11 plan in order to maintain the exclusive right to file a plan during the plan confirmation process and address any unforeseen obstacles that may arise.

RELIEF REQUESTED

16. Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the commencement of a chapter 11 case during which a debtor has the exclusive right to propose and file a chapter 11 plan (the “Filing Period”). Section 1121(c)(3) provides that if a debtor files a plan within the Filing Period, it has a period of 180 days after the commencement of the case to obtain acceptance of such plan, during which time competing plans may not be filed (the “Solicitation Period” and, together with the Filing Period, the “Exclusive Periods”). Pursuant to section 1121(d) of the Bankruptcy Code, the Court may extend a debtor’s Exclusive Periods for cause shown, provided that the Filing Period may not be extended beyond eighteen months after the commencement of the case and the Solicitation Period may not be extended beyond twenty months after the commencement of the case.

17. Vanguard's Filing Period and Solicitation Period will expire on June 1, 2017 and July 31, 2017, respectively. Pursuant to section 1121(d) of the Bankruptcy Code, Vanguard requests entry of the Proposed Order extending both the Filing Period and the Solicitation Period by 75 days to and including August 15, 2017 and October 16, 2017, respectively, without prejudice to Vanguard's right to seek further extensions of such periods. This is Vanguard's first request to extend the Exclusive Periods.

BASIS FOR THE RELIEF REQUESTED

18. The Exclusive Periods are intended to afford a debtor a full and fair opportunity to propose a consensual plan and solicit acceptances of such plan without the deterioration and disruption of the debtor's business that is likely to be caused by the filing of competing plans by non-debtor parties. The primary objective of a chapter 11 case is the formulation, confirmation, and consummation of a consensual chapter 11 plan.

19. Section 1121(d) of the Bankruptcy Code allows the court to extend a debtor's Exclusive Periods for cause. Although the Bankruptcy Code does not define the term "cause," the legislative history indicates it is intended to be a flexible standard to balance the competing interests of a debtor and its creditors.⁴ Section 1121 of the Bankruptcy Code is designed to give chapter 11 debtors an adequate opportunity to stabilize their business operations at the outset of the chapter 11 case and to negotiate an effective plan of reorganization with creditors.⁵

⁴ See H.R. REP. NO. 95-595, at 231, 232 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6191 (noting that Congress intended to give bankruptcy courts flexibility to protect a debtor's interest by allowing unimpeded opportunity to negotiate settlement of debts without interference from other parties in interest).

⁵ *In re Newark Airport/Hotel Ltd. P'ship*, 156 B.R. 444, 451 (Bankr. D.N.J. 1993), *aff'd*, 155 B.R. 93 (D.N.J. 1993) (noting that Congress designed chapter 11 provisions to enable a debtor to remain in control for some period of time, thereby making reorganization an attractive alternative to financially troubled companies); *Gaines v. Perkins (In re Perkins)*, 71 B.R. 294, 297-98 (W.D. Tenn. 1987) (Congress designed section 1121 to give the debtor time to reach an agreement with its creditors regarding a plan of reorganization).

20. In determining whether cause exists to extend the Exclusive Periods, a court has discretion to consider a variety of factors to assess the totality of circumstances in each case.⁶ Courts often use the following factors in determining whether “cause” exists to extend (or to terminate) a debtor’s exclusive plan filing period: (a) the size and complexity of the case; (b) the need for sufficient time to permit the debtor to negotiate a plan of reorganization and prepare adequate information; (c) whether the debtor has made progress in negotiations with its creditors; (d) the existence of good faith progress toward reorganization; (e) whether the debtor is seeking to extend exclusivity to pressure creditors to accede to the debtor’s reorganization demands; (f) whether the debtor has demonstrated reasonable prospects for filing a viable plan; (g) the fact that the debtor is paying its bills as they become due; (h) the amount of time which has elapsed in the case; and/or (i) whether an unresolved contingency exists.⁷

21. Not all factors are relevant to every case, and the existence of even one of the above-listed factors may be sufficient to extend a debtor’s exclusivity periods.⁸ Moreover, courts recognize that a debtor’s request for an initial extension of exclusivity periods should be a

⁶ See *In re Timbers of Inwood Forest Assocs., Ltd.*, 808 F.2d 363, 372 (5th Cir. 1987) (noting that the meaning of “cause” under section 1121 should be viewed in context of the Bankruptcy Code’s goal of fostering reorganization); *Mirant Americas Generation, L.L.C. v. Mirant Corp. (In re Mirant Corp.)*, No. 4-04-CV-476-A, 2004 WL 2250986, at *2 (N.D. Tex. Sept. 30, 2004) (noting that an extension of exclusivity is typically granted where the debtor has shown substantial progress toward reorganization); see also Tr. of Hr’g at 137:8-9, *In re Lehman Bros. Holdings, Inc.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y. July 17, 2009) ECF No. 4440, (granting debtors’ second exclusivity extension because debtors should be entitled to as much time as needed to develop their best plan and “exclusivity was designed, in part, to give debtors that privilege, unless it’s being abused”).

⁷ See, e.g., *In re New Millennium Mgmt., LLC*, No. 13-35719-H3-11, 2014 WL 792115, at *6 (Bankr. S.D. Tex. Feb. 25, 2014) (listing factors relevant to whether “cause” exists to extend exclusivity periods) (citing *In re GMG Capital Partners III, L.P.*, 503 B.R. 596, 600-01 (Bankr. S.D.N.Y. 2014)); see also *In re Adelphia Commc’ns Corp.*, 336 B.R. 610, 674 (Bankr. S.D.N.Y.), *aff’d*, 342 B.R. 122 (Bankr. S.D.N.Y. 2006) (denying motion to terminate exclusivity based on factors for cause).

⁸ See, e.g., *In re Express One Int’l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (listing all nine factors later set forth in *Adelphia*, but relying on only four as relevant in determining whether there was “cause” to extend exclusivity).

subject to a less burdensome standard than a request made later in the case.⁹ In fact, in the early stages of a chapter 11 case, the case's size and complexity alone may warrant extension of the exclusivity periods.¹⁰

22. As illustrated below, application of the above factors and standards to the details of these chapter 11 cases demonstrates more than sufficient "cause" to grant Vanguard's requested extension of the Exclusive Periods.

Cause Exists to Extend the Exclusive Periods

A. Vanguard's Chapter 11 Cases Are Large and Vanguard's Businesses Are Complex

23. The most common basis upon which courts grant an extension of the Exclusive Periods is the size and complexity of the chapter 11 case.¹¹ Indeed, Congress expressly recognized that courts would need to extend the exclusive periods if a debtor's case is unusually large or complex.¹²

24. Given the large size of the chapter 11 cases and the scope of Vanguard's business, a 75-day extension of the Exclusive Periods is warranted. These chapter 11 cases involve fourteen different Debtors, business operations in eleven states, thousands of creditors, and active participation by both preferred and common equity holders. Indeed, Vanguard's chapter

⁹ See *In re Mirant Corp.*, 2004 WL 2250986, at *2 ("The debtor's burden gets heavier with each extension it seeks as well as the longer the period of exclusivity lasts.") (citation omitted); see also *Am. Network Leasing, Inc. v. Apex Pharm., Inc. (In re Apex Pharm., Inc.)*, 203 B.R. 432, 441 (N.D. Ind. 1996) ("It is true that during the initial 120-day period in which debtors have an exclusive right to file a plan of reorganization . . . the bankruptcy courts apply a lesser standard in determining whether the burden of showing 'a reasonable possibility of a successful reorganization within a reasonable time' has been satisfied." (citation omitted)).

¹⁰ See *In re Pub. Serv. Co. of N.H.*, 88 B.R. 521, 537 (Bankr. D.N.H. 1988) ("a debtor in a large and complex case may make a showing of cause on those facts for exclusivity extension in the *initial stages* of the reorganization by virtue of that factor") (emphasis in original).

¹¹ See, e.g., *Express One*, 194 B.R. at 100; *In re Texaco, Inc.*, 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987) (sheer size of case constituted "cause" to extend exclusivity); *In re Manville Forest Prods. Corp.*, 31 B.R. 991, 995 (S.D.N.Y. 1983) ("[T]he sheer mass, weight, volume and complication[s] of the Manville filings undoubtedly justify a shakedown period").

¹² H.R. REP. NO. 95-595, at 231, 232, 406 (1978), reprinted in 1978 U.S.C.C.A.N. 5787, 6191, 6362 ("[I]f an unusually large company were to seek reorganization under Chapter 11, the Court would probably need to extend the time in order to allow the debtor to reach an agreement.").

11 cases—listing total debt at more than \$1.8 billion—are some of the largest in a string of recently filed energy bankruptcy cases in the Southern District of Texas.

25. Moreover, as part of its reorganizational efforts, Vanguard is also seeking to sell certain assets, a large portion of which are subject to sale in Vanguard’s recently approved motion for bidding procedures to sell assets in Glasscock County, Texas. The litigation over the Glasscock Assets has been time intensive and complex.

26. Furthermore, due to the size of these chapter 11 cases, the number of stakeholders, and the breadth of operations, Vanguard previously sought and obtained extensions of time to file its respective schedules of assets and liabilities, schedules of executory contracts and unexpired leases, and statement of financial affairs (the “Schedules”).¹³ The Court also granted Vanguard an extension of time in which to file for removal of civil actions.¹⁴

27. In cases like these, it is prudent to obtain an extension of the initial 120-day exclusivity period provided by the Bankruptcy Code in order to ensure the approval of a debtor-proposed plan of reorganization with the necessary committed exit financing and, preferably, the support of all members of the capital structure.

B. Vanguard Has Demonstrated Good Faith Progress Towards Its Reorganization

28. Vanguard believes that an expeditious restructuring and emergence from chapter 11 is crucial to preserving the value of its businesses and is in the best interests of the estates and all its stakeholders. To that end, Vanguard has repeatedly demonstrated its continuing commitment toward an expeditious restructuring. Central to Vanguard’s restructuring efforts was entering a Restructuring Support Agreement with holders of the Senior Notes and the

¹³ *Order Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, and Statements of Financial Affairs* [Docket No. 14]

¹⁴ *Order Granting Motion for Extension of Deadline to File for Removal of Civil Actions* [Docket No. 513].

Second Lien Notes, filing a plan and disclosure statement, and obtaining approval of the Backstop Commitment Agreement. Vanguard achieved those goals; however, there is still more work to do to exit chapter 11 in the most orderly and beneficial manner to all parties in interest.

29. Accordingly, Vanguard believes that the good-faith substantial progress described above justifies the requested 75-day extension of the Exclusive Periods during which Vanguard expects to obtain confirmation of its Plan.

C. Other Factors Also Support Extension of Exclusivity

30. This is Vanguard's first request for an extension of the Exclusive Periods, and Vanguard is *not* seeking this extension to delay the reorganization or pressure creditors to accede to a plan that is unsatisfactory to them. Rather, the requested extension reflects the reality that neither the Plan has been confirmed nor the Disclosure Statement has been approved. Moreover, substantial uncertainty exists regarding the ultimate outcome of the pending litigation with Encana and the related efforts to sell the Glasscock Assets. If the Plan is not ultimately confirmed, Vanguard faces the risk that the Exclusivity Periods will have expired. Under these circumstances, granting an extension of the Exclusivity Periods will not give Vanguard unfair bargaining leverage over creditor constituencies. Finally, since the Petition Date, Vanguard has timely met, and will continue to timely meet, its postpetition obligations in these chapter 11 cases, as Vanguard has been paying and will continue to pay its bills as they come due.

CONCLUSION

31. In light of the foregoing, Vanguard's first request for an extension of the Exclusive Periods is warranted and appropriate under the circumstances. Bankruptcy courts in this district routinely grant similar extensions of the Exclusive Periods in other large and

complex cases.¹⁵ Indeed, the unique context of these chapter 11 cases supports the propriety of the requested extension. Given Vanguard's dedication to an expeditious restructuring and emergence from chapter 11, these chapter 11 cases have successfully proceeded at an ambitiously rapid pace. Accordingly, Vanguard respectfully submits that the requested extension of the Exclusive Periods is efficient, necessary, and will not prejudice the legitimate interests of creditors and other parties in interest.

RESERVATION OF RIGHTS

32. Nothing contained in this Motion is intended or should be construed as: (a) an admission of the validity of any claim against Vanguard, (b) a waiver of Vanguard's rights to dispute any claim, or (c) waiver of Vanguard's right to seek further extension of the deadlines discussed in this Motion. Vanguard expressly reserves its rights to contest any invoice or claim related to the relief requested herein in accordance with applicable law.

NOTICE

33. The Debtors will provide notice of this Motion by email, facsimile, or overnight courier to: (a) the U.S. Trustee; and (b) all other parties on the Master Service List. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

34. No previous request for the relief sought herein has been made to this Court or any other court.

¹⁵ See, e.g., *In re CJ Holding Co.*, No. 16-33590 (DRJ) (Bankr. S.D. Tex. Nov. 3, 2016), ECF No. 675 (granting initial extension of exclusivity periods of approximately 120 days); *In re Linn Energy, LLC*, No. 16-60040 (DRJ) (Bankr. S.D. Tex. Aug. 30, 2016) (granting initial extension of exclusivity periods of approximately 120 days); *In re SandRidge Energy, Inc.*, No. 16-32488 (DRJ) (Bankr. S.D. Tex. Aug. 30, 2016), ECF No. 800 (granting initial extension of exclusivity periods of approximately 120 days); *In re Ultra Petrol. Corp.*, No. 16-32202 (MI) (Bankr. S.D. Tex. Aug. 25, 2016) ECF No. 522 (granting initial extension of exclusivity periods of approximately 180 days); *In re Sherwin Alumina Company, LLC*, No. 16-20012 (DRJ) (Bankr. S.D. Tex. May 9, 2016), ECF No. 585 (granting initial extension of exclusivity periods of approximately 110 days). Because of the voluminous nature of the unreported orders cited herein, they are not annexed to the Motion. Copies of these orders are available upon request of Vanguard's undersigned counsel

WHEREFORE, Vanguard respectfully requests (a) entry of an order, substantially in the form attached to this Motion as **Exhibit A**, extending Vanguard's Exclusive Periods to file chapter 11 plans and to solicit acceptances thereof and (b) granting such other and further relief as the Court deems just and proper.

Dated: April 25, 2017

Respectfully Submitted,

/s/ James T. Grogan

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Counsel to Vanguard

Certificate of Service

I certify that on April 25, 2017, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas. Additionally, I have caused Prime Clerk, LLC, the Debtors' Claims and Noticing Agent, to serve the foregoing document on the master service list.

/s/ James T. Grogan
James T. Grogan

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: VANGUARD NATURAL RESOURCES, LLC, <i>et al.</i> , ¹ <div style="text-align: right;">Debtors.</div>	§ § § § § § § § §	Chapter 11 Case No. 17-30560 (Jointly Administered) Related Docket No. __
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**ORDER EXTENDING DEBTORS’ EXCLUSIVE PERIODS
TO FILE CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, “Vanguard” or the “Debtors”) for entry of an order (the “Order”) extending Vanguard’s exclusive periods to propose and file chapter 11 plans (the “Filing Period”) and to solicit acceptances thereof (the “Solicitation Period,” and together with the Filing Period, the “Exclusive Periods”), all as more fully described in the Motion; and the United States Bankruptcy Court for the Southern District of Texas (the “Court”) having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court being able to enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Vanguard Natural Resources, LLC (1161); Eagle Rock Acquisition Partnership, L.P. (6706); Eagle Rock Acquisition Partnership II, L.P. (0903); Eagle Rock Energy Acquisition Co., Inc. (4564); Eagle Rock Energy Acquisition Co. II, Inc. (3364); Eagle Rock Upstream Development Company, Inc. (0113); Eagle Rock Upstream Development Company II, Inc. (7453); Encore Clear Fork Pipeline LLC (2032); Escambia Asset Co. LLC (3869); Escambia Operating Co. LLC (2000); Vanguard Natural Gas, LLC (1004); Vanguard Operating, LLC (9331); VNR Finance Corp. (1494); and VNR Holdings, LLC (6371). The location of the Debtors’ service address is: 5847 San Felipe, Suite 3000, Houston, Texas 77057.

² Capitalized terms used herein but not otherwise defined have the meanings set forth in the Motion.

Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted in this Order; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. Pursuant to section 1121(d) of the Bankruptcy Code, Vanguard's Filing Period is extended through and including August 15, 2017.
2. Pursuant to section 1121(d) of the Bankruptcy Code, Vanguard's Solicitation Period is extended through and including October 16, 2017.
3. The extension of the Exclusive Periods granted in this Order is without prejudice to Vanguard seeking further extensions of its Filing Period and Solicitation Period pursuant to section 1121(d) of the Bankruptcy Code.
4. Notice of the Motion as provided in the Motion shall be deemed good and sufficient notice of such Motion and the requirements of the Bankruptcy Local Rules for the Southern District of Texas are satisfied by such notice.
5. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

6. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2017
Houston, Texas

THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE