

**Schedule K-1  
(Form 1065)**

 Department of the Treasury  
 Internal Revenue Service

2015

 For calendar year 2015, or tax  
 year beginning JAN 1, 2015  
 ending OCT 5, 2015

**Partner's Share of Income, Deductions,  
Credits, etc.**

► See back of form and separate instructions.

 Final K-1 Amended K-1
**Part III Partner's Share of Current Year Income,  
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties	36	
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)	A	32
9c	Unrecaptured section 1250 gain	*	STMT
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	
12	Section 179 deduction	19	Distributions
13	Other deductions	A	750
J	.....		
14	Self-employment earnings (loss)	T*	Other information
.....	.....	A	36
*	.....	V	(406)
.....	.....	Z*	STMT

\*See attached statement for additional information.

For IRS Use Only

L	Partner's capital account analysis:
	Beginning capital account .....
	Capital contributed during the year .....
	Current year increase (decrease) .....
	Withdrawals & distributions .....
	Ending capital account .....

 Tax basis       GAAP       Section 704(b) book  
 Other (explain)

 M Did the partner contribute property with a built-in gain or loss?  
 Yes       No  
 If "Yes," attach statement (see instructions)

**2015 SCHEDULE K-1  
SUPPLEMENTAL INFORMATION**

**LRR ENERGY, L.P.**

PARTNER NAME: CLAUDE SIMON

PARTNER FEDERAL ID & ENTITY TYPE: XXX-XX-1158 / INDIVIDUAL

CUSTODIAN FEDERAL ID (IF APPLICABLE):

Line(s)	Description	Amount
	<u>Domestic Production Activities Information</u>	
13T1	Gross Receipts from All Sources	3,366
13T2	Domestic Production Gross Receipts (DPGR)	3,327
13T3	Cost of Goods Sold from All Sources	1,079
13T4	Cost of Goods Sold Allocable to DPGR	1,077
13T5	Deductions, Expenses, and Losses Allocable to Non-DPGR Activities	68
13T6	Deductions, Expenses, and Losses Allocable to DPGR	878
13T7	Other Apportionable Deductions	-
	<u>AMT Adjustments</u>	
17D	Oil, Gas, & Geothermal Gross Income (AMT)	2,001
17E	Oil, Gas, & Geothermal Deductions (AMT)	1,853
17F	Excess Intangible Drilling Costs (AMT)	391
	<u>Depletion Information</u>	
20T1	Total Sustained - Assumed Allowable Depletion	1,244
20T2A	Total Cost Depletion	1,237
20T3A	Percentage Depletion in Excess of Cost Depletion to the Extent of Basis	5
20T4A	Percentage Depletion in Excess of Basis	2
20T5	Net Equivalent BBLs of Production	68
	<u>Other Information</u>	
20Z1	Gross Income from Operations	2,287
<u>NOTES</u>		
13T	The information provided above for Line 13T is intended to assist you in calculating your IRC Section 199 deduction (if applicable) on Form 8903.	
20Z1	Gross income from operations represents gross receipts minus cost of goods sold. This information may be needed by tax-exempt organizations and qualified retirement plans to determine if a Form 990-T must be filed. Individual taxpayers may need this information to determine whether a return must be filed for certain states.	

**LRR ENERGY, L.P.****2015 OWNERSHIP SCHEDULE**

PARTNER NAME: CLAUDE SIMON

PARTNER FEDERAL ID &amp; ENTITY TYPE: XXX-XX-1158 / INDIVIDUAL

CUSTODIAN FEDERAL ID (IF APPLICABLE):

This schedule details your transactional history regarding units of LRR Energy, L.P., as reported to the Partnership by your broker or our transfer agent through October 5, 2015. This schedule is limited to all units that are reported as owned by the partner federal identification number and entity type shown above.

NOTE: A separate schedule and related Tax Package may be issued for any other entity types associated with the partner federal identification number shown above.

The transactional information contained below has been utilized to prepare this Tax Package. If this transactional information is incorrect, then the information reported in this Tax Package (as well as the information reported to the IRS) may be incorrect. Please contact Partner DataLink at (855) 240-7560 or [LRRK1Help@deloitte.com](mailto:LRRK1Help@deloitte.com) by June 1, 2016 to report any errors or inaccuracies.

NOTE: If you submit corrections to us after that date, you may be required to file Form 8082, Notice of Inconsistent Treatment or Administrative Adjustment Request, with the IRS.

**THE SCHEDULE IS NOT PROOF OF OWNERSHIP**

TRANSACTION		BROKER OR CERTIFICATE NUMBER	UNITS
DESCRIPTION	DATE		
AC BUY	05/27/2015	BROKER - 188	1,000
AC BUY	06/08/2015	BROKER - 188	3,000
DA SELL	08/20/2015	BROKER - 188	(3,800)
DA SELL	08/20/2015	BROKER - 188	(180)
DA SELL	08/20/2015	BROKER - 188	(20)
END OF YEAR UNITS			-

To: The Partners of LRR Energy, L.P.

**Selected K-1 Line Items Description**

Selected K-1 Line Items:

**Box 1: Net Ordinary Business Income (Loss):**

The amount on Box 1 represents your share of the partnership net ordinary income (loss) for 2015.

**Box 7: Royalties:**

This amount represents royalty income and should be reported on Form 1040, Schedule E, Part I, Line 4

**Box 13J & State Schedule Column 3: Other Deductions - IRC Section 59(e)(2):**

This amount represents qualified intangible drilling costs (IDC) incurred by LRR Energy, L.P.'s oil and gas operations to which an election under Internal Revenue Code (IRC) section 59(e) may apply. This amount has not been deducted from the amount in Box 1. Generally, IRC section 59(e) allows each partner to elect to deduct IDC from oil and gas properties ratably over a 60-month period rather than deduct the full amount in the current year. Such election may be beneficial to you in reducing the amount of alternative minimum tax (AMT) or for other tax planning purposes since if you make this election, this item will not be treated as an adjustment or tax preference item for purposes of the AMT. Please consult your tax advisor.

Because each partner decides whether to make the election under IRC section 59(e), LRR Energy, L.P. cannot provide you with the amount of the tax preference related to IDC. You must decide both how to claim the expenses on your return and compute the resulting tax preference item. Part III, Box 17 D, E, and F and Box 20T provide the information necessary for you to compute your tax preference for IDC.

**Box 13T: Domestic Production Activities Information:**

Effective for tax years beginning after 12/31/04, IRC section 199 was enacted to provide an additional deduction for qualifying domestic production activities. The amounts shown on Box 13T represent your distributive share of LRR Energy, L.P.'s Box 1 items necessary to calculate the Domestic Production Activities Deduction under IRC section 199. Your allowable intangible drilling costs (see Box 13J) and depletion (see Depletion below) deduction should be treated as an increase to your amount of "total deductions, expenses and losses directly allocable to Domestic Production Gross Receipts."

**Box 17A-17F: Alternative Minimum Tax Items:**

Certain partners may be required to complete Form 6251, "Alternative Minimum Tax-Individuals." If a partner is required to use Form 6251, the amounts shown on Part III, Box 17 of Schedule K-1 should be used to calculate the appropriate amounts to enter on Form 6251. The amount shown in Box 17A, which may be either positive or negative, should be reported as an adjustment for depreciation on assets placed in service after 1986 on Form 6251, Line 18.

The amount shown in Box 17D, 17E and 17F should be used to help determine whether any IDC needs to be reported as a preference item on Form 6251, line 26 in the calculation of AMT. Before beginning the calculation, see Box 13J instructions above. If you elect to capitalize the entire amount of IDC under IRC section 59(e), you will not have any preference IDC and do not need to complete the worksheet. Please consult your tax advisor.

Generally, IDCs from oil, gas, and geothermal properties are an AMT tax preference to the extent excess IDCs exceed 65% of the net income from the properties. Box 17F provides the amount of excess IDCs. Net income from the properties is determined from gross income (Box 17D) less oil & gas deductions (Box 17E), less depletion (Box 20T), less any amortization of capitalized IDC. Please consult your tax advisor.

**Box 18C: Nondeductible Expenses:**

The amount in Box 18C represents your share of the partnership's non-deductible costs for the year. Note that this amount is provided for information purposes only, and thus you do not need to report this amount anywhere on your Form 1040.

**Box 20T: Depletion Related Items:**

LRR Energy, L.P. has computed your allocated share of statutory (percentage) depletion and cost depletion from LRR Energy, L.P.'s oil and gas activities. You are entitled to take as a deduction the greater of percentage depletion and cost depletion per property which has been reflected as "Total Sustained - Assumed Allowable Depletion" in Box 20T1.

**For Questions Regarding Your Tax Package  
Contact Partner DataLink:**



46044



10-016638

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Dear Unitholder:

Please find enclosed your LRR Energy, L.P. ("LRE" or the "Partnership") Tax Package for 2015. Please do not discard this package as it contains important information that you will need to prepare your federal and state income tax returns for 2015.

**Important Information for Tax Year 2015**

On October 5, 2015, the publicly traded partnership, Vanguard Natural Resources, LLC ("VNR"), completed their acquisition of LRE. Based upon the terms of the merger agreement, LRE unitholders received 0.55 VNR common units for each LRE common unit they owned. Cash was paid to LRE unitholders in accordance with the merger agreement in lieu of any fractional units they otherwise would have been entitled to receive. As a result of the merger, common units of LRE ceased trading at the close of business on October 5, 2015. If you held units of LRE on the date of the merger, your LRE units were converted to VNR common units. If you did not dispose of all of your LRE units prior to the merger, you will also receive a Schedule K-1 from VNR that includes activity for the period following the VNR/LRE merger date through December 31, 2015. Your K-1 from LRE will not reflect any amounts related to an investment in VNR following the VNR/LRE merger. If you disposed of your LRE investment prior to the merger date, you will not receive a K-1 from VNR.

- If you were a partner in LRE and VNR at any time prior to the merger, you will receive a tax package from both partnerships.
- If you were a partner in LRE at the time of the merger, your LRE units were converted to VNR common units and you will receive tax packages from both LRE and VNR. This Schedule K-1 is from LRE and includes activity for the period through the merger date (January 1 – October 5, 2015). You will need this K-1 and the K-1 from VNR (for the period of October 6 – December 31, 2015) to complete your tax return.

**Note: You will need to use the information in all Tax Packages received from LRE and VNR when completing your federal and state income tax return(s) for tax year 2015.**

The federal and state tax laws applicable to unitholders of LRE and VNR are highly complex and subject to varying interpretations. We recommend you refer to the appropriate federal and state income tax laws and/or consult your tax advisor.

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Please confirm the accuracy of the information on your Ownership Schedule, because your tax allocations are based on this schedule. If the unit information is inaccurate or you have any questions regarding this Tax Package, please contact Partner DataLink at (855) 240-7560 or [LRRK1Help@deloitte.com](mailto:LRRK1Help@deloitte.com) (additional contact methods are provided at the top of this letter). To access your Tax Package electronically, please visit our website at [www.PartnerDataLink.com/LRREnergy](http://www.PartnerDataLink.com/LRREnergy).

**We request you submit any corrections to your Tax Package on or before June 1, 2016.**

Sincerely,

LRR Energy, L.P.