



46044

CLAUDE SIMON
534 W 42ND ST APT 8
NEW YORK, NY 10036-6221

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

Partner DataLink
LRR Energy, L.P.
PO Box 8447
Hermitage, TN 37076-8447

Phone: (855) 240-7560

Fax: (215) 982-6302

Email: LRRK1Help@deloitte.com

Website: www.PartnerDataLink.com/LRREnergy

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 (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.

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

Sincerely,

LRR Energy, L.P.

NOTE: SPECIAL NOTICE FOR CALCULATING TAXABLE INCOME

Taxable income for each investor is calculated using the amounts reported on the enclosed Schedule K-1. Taxable income will depend on the elections and tax treatment of various items reported. Please refer to the additional guidance at the end of this Tax Package for further information.

To calculate total taxable income for the tax year, the following lines should be considered:

Add:

- **Line 1**, Ordinary business income/(loss)
- **Line 7**, Royalties

Less:

- **Line 13J**, Section 59(e)(2) expenditures (See Note A below & Line 13J amount on Schedule K-1)
- **Line 20T1**, Depletion expense (See Note A & Line 20T1 amount on Supplemental Schedule)

Note A: This item is taxpayer specific and **NOT** included in Line 1, ordinary business income/(loss), and is subject to separate elections and limitations as described in the additional guidance.

**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, 20 15

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

▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

90-0708431

B Partnership's name, address, city, state, and ZIP code

LRR ENERGY, L.P.
1111 BAGBY STREET, SUITE 4600
HOUSTON, TX 77002

C IRS Center where partnership filed return

OGDEN

D ☒ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number

XXX-XX-1158

F Partner's name, address, city, state, and ZIP code

CLAUDE SIMON
534 W 42ND ST APT 8
NEW YORK, NY 10036-6221

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? INDIVIDUAL

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	0.000000 %	0.000000 %
Loss	0.000000 %	0.000000 %
Capital	0.000000 %	0.000000 %

K Partner's share of liabilities at year end:

Nonrecourse	\$	-
Qualified nonrecourse financing	\$	
Recourse	\$	

L Partner's capital account analysis:

Beginning capital account	\$	-
Capital contributed during the year	\$	31,600
Current year increase (decrease)	\$	(369)
Withdrawals & distributions	\$ (31,231)
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)

☒ Final K-1

☐ Amended K-1

651113
OMB No. 1545-0123

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	1,304		
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
		A	32
9b	Collectibles (28%) gain (loss)	*	STMT
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	-
12	Section 179 deduction	19	Distributions
		A	750
13	Other deductions		
J	467	20	Other information
*	STMT	A	36
		T*	STMT
14	Self-employment earnings (loss)	V	(406)
		Z*	STMT

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1. Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

	<i>Report on</i>
Passive loss	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)
Nonpassive loss	Schedule E, line 28, column (h)
Nonpassive income	Schedule E, line 28, column (j)
2. Net rental real estate income (loss)	See the Partner's Instructions
3. Other net rental income (loss)	See the Partner's Instructions
Net income	Schedule E, line 28, column (g)
Net loss	See the Partner's Instructions
4. Guaranteed payments	Schedule E, line 28, column (j)
5. Interest income	Form 1040, line 8a
6a. Ordinary dividends	Form 1040, line 9a
6b. Qualified dividends	Form 1040, line 9b
7. Royalties	Schedule E, line 4
8. Net short-term capital gain (loss)	Schedule D, line 5
9a. Net long-term capital gain (loss)	Schedule D, line 12
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D instructions)

9c. Unrecaptured section 1250 gain See the Partner's Instructions

10. Net section 1231 gain (loss) See the Partner's Instructions

11. Other income (loss)

<i>Code</i>		
A	Other portfolio income (loss)	See the Partner's Instructions
B	Involuntary conversions	See the Partner's Instructions
C	Sec. 1256 contracts & straddles	Form 6781, line 1
D	Mining exploration costs recapture	See Pub. 535
E	Cancellation of debt	Form 1040, line 21 or Form 982
F	Other income (loss)	See the Partner's Instructions
12. Section 179 deduction		See the Partner's Instructions
13. Other deductions		
A	Cash contributions (50%)	See the Partner's Instructions
B	Cash contributions (30%)	
C	Noncash contributions (50%)	
D	Noncash contributions (30%)	
E	Capital gain property to a 50% organization (30%)	
F	Capital gain property (20%)	Form 4952, line 1
G	Contributions (100%)	
H	Investment interest expense	Schedule E, line 19
I	Deductions—royalty income	See the Partner's Instructions
J	Section 59(e)(2) expenditures	Schedule A, line 23
K	Deductions—portfolio (2% floor)	Schedule A, line 28
L	Deductions—portfolio (other)	Schedule A, line 28
M	Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29
N	Educational assistance benefits	See the Partner's Instructions
O	Dependent care benefits	Form 2441, line 12
P	Preproductive period expenses	See the Partner's Instructions
Q	Commercial revitalization deduction	See the Partner's Instructions
	from rental real estate activities	See Form 8582 instructions
R	Pensions and IRAs	See the Partner's Instructions
S	Reforestation expense deduction	See the Partner's Instructions
T	Domestic production activities information	See Form 8903 instructions
U	Qualified production activities income	Form 8903, line 7b
V	Employer's Form W-2 wages	Form 8903, line 17
W	Other deductions	See the Partner's Instructions

14. Self-employment earnings (loss)

Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

A	Net earnings (loss) from self-employment	Schedule SE, Section A or B
B	Gross farming or fishing income	See the Partner's Instructions
C	Gross non-farm income	See the Partner's Instructions

15. Credits

A	Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions
B	Low-income housing credit (other) from pre-2008 buildings	
C	Low-income housing credit (section 42(j)(5)) from post-2007 buildings	
D	Low-income housing credit (other) from post-2007 buildings	
E	Qualified rehabilitation expenditures (rental real estate)	
F	Other rental real estate credits	Form 1040, line 73; check box a
G	Other rental credits	
H	Undistributed capital gains credit	
I	Biofuel producer credit	
J	Work opportunity credit	
K	Disabled access credit	See the Partner's Instructions

<i>Code</i>		<i>Report on</i>
L	Empowerment zone employment credit	See the Partner's Instructions
M	Credit for increasing research activities	
N	Credit for employer social security and Medicare taxes	
O	Backup withholding	
P	Other credits	
16. Foreign transactions		
A	Name of country or U.S. possession	Form 1116, Part I
B	Gross income from all sources	
C	Gross income sourced at partner level	
	<i>Foreign gross income sourced at partnership level</i>	
D	Passive category	Form 1116, Part I
E	General category	
F	Other	
	<i>Deductions allocated and apportioned at partner level</i>	
G	Interest expense	Form 1116, Part I
H	Other	Form 1116, Part I
	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>	
I	Passive category	Form 1116, Part I
J	General category	
K	Other	
	<i>Other information</i>	
L	Total foreign taxes paid	Form 1116, Part II
M	Total foreign taxes accrued	Form 1116, Part II
N	Reduction in taxes available for credit	Form 1116, line 12
O	Foreign trading gross receipts	Form 8873
P	Extraterritorial income exclusion	Form 8873
Q	Other foreign transactions	See the Partner's Instructions
17. Alternative minimum tax (AMT) items		
A	Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
B	Adjusted gain or loss	
C	Depletion (other than oil & gas)	
D	Oil, gas, & geothermal—gross income	
E	Oil, gas, & geothermal—deductions	
F	Other AMT items	
18. Tax-exempt income and nondeductible expenses		
A	Tax-exempt interest income	Form 1040, line 8b
B	Other tax-exempt income	See the Partner's Instructions
C	Nondeductible expenses	See the Partner's Instructions
19. Distributions		
A	Cash and marketable securities	See the Partner's Instructions
B	Distribution subject to section 737	
C	Other property	
20. Other information		
A	Investment income	Form 4952, line 4a
B	Investment expenses	Form 4952, line 5
C	Fuel tax credit information	Form 4136
D	Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
E	Basis of energy property	See the Partner's Instructions
F	Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
G	Recapture of low-income housing credit (other)	Form 8611, line 8
H	Recapture of investment credit	See Form 4255
I	Recapture of other credits	See the Partner's Instructions
J	Look-back interest—completed long-term contracts	See Form 8697
K	Look-back interest—income forecast method	See Form 8866
L	Dispositions of property with section 179 deductions	See the Partner's Instructions
M	Recapture of section 179 deduction	
N	Interest expense for corporate partners	
O	Section 453(l)(3) information	
P	Section 453A(c) information	
Q	Section 1260(b) information	
R	Interest allocable to production expenditures	
S	CCF nonqualified withdrawals	
T	Depletion information—oil and gas	
U	Reserved	
V	Unrelated business taxable income	
W	Precontribution gain (loss)	
X	Section 108(l) information	
Y	Net investment income	
Z	Other information	

LRR ENERGY, L.P.**2015 SCHEDULE K-1
SUPPLEMENTAL INFORMATION**

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.	

PARTNER NAME: CLAUDE SIMON
PARTNER FEDERAL ID & ENTITY TYPE: XXX-XX-1158 / INDIVIDUAL
CUSTODIAN FEDERAL ID (IF APPLICABLE):

	State Information								
	(Due to rounding and other federal and state differences, totals may not agree to federal totals)								
State	(1) Net Ordinary Income or Loss (-)	(2) Royalties	(3) Gross Receipts	(4) IDC	(5) Percentage Depletion in Excess of Cost Depletion to the Extent of Basis	(6) Percentage Depletion in Excess of Basis	(7) Cost Depletion	(8) Gross Income from Operations	(9) AMT Adjustment
NM	613	17	1,583	220	2	1	582	1,075	15
OK	(37)	7	504	37	5	12	259	(22)	8

NOTES:

The Partnership has operations in multiple states. You may be required to file a tax return with those states even if you are not a resident. We have not attempted to determine whether resident, nonresident, or other state tax returns should be filed by you. We recommend you consult your tax advisor.

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

PARTNER NAME: CLAUDE SIMON

PARTNER FEDERAL ID & 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 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			-

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

PARTNER NAME: CLAUDE SIMON

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

CUSTODIAN FEDERAL ID (IF APPLICABLE):

This schedule is provided to assist you in calculating your gain or loss from the disposition of all or a portion of your units for 2015. If you disposed of units during 2015, this schedule should reflect such information and should agree with any current year dispositions reflected on your Ownership Schedule.

NOTE: This sales schedule reflects unit dispositions on a "first-in-first-out basis," so that you are considered to sell units in the order in which they were acquired by you. This approach has been applied solely for administrative convenience, and is not consistent with IRS Revenue Ruling 84-53, which provides that a partner has one unified basis in its total partnership interest, and would generally yield a different result than that presented. Each partner must make his or her own determination of the amount of basis to be associated with units that are sold. The partnership expresses no opinion on the appropriate methodology to be used in making this determination and has provided this schedule solely as a courtesy. Please consult your tax advisor to obtain advice on how this determination should be made. This schedule is not provided to the IRS by the partnership. If the information contained herein is incorrect or you wish to advise us how to attribute your basis to the units you sold, please contact Partner DataLink at (855) 240-7560 or LRRK1Help@deloitte.com by June 1, 2016.

How to Utilize this Schedule (in consultation with your tax advisor):

From your records, enter your Sales Proceeds (net of brokerage commissions) in Column 3. From your records, enter your Original Purchase Amount/Cost Basis (including brokerage commissions) in Column 4. NOTE: If you acquired the units by some means other than purchase (such as inheritance), please contact your tax advisor.

Column 5 represents your cumulative allocable share of income less losses and distributions with respect to the units sold. To determine Total Gain or Loss in Column 6, subtract the sum of Column 4 and Column 5 from Column 3. Your total gain must be split into two categories (capital and ordinary). The ordinary gain is reflected in Column 7. To determine your Capital Gain or Loss in Column 8, subtract Column 7 from Column 6. Use the amount in Column 9 to report your adjustment for Alternative Minimum Tax purposes.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Units Disposed	Disposition Date	Sales Proceeds	Original Purchase Amount or Cost Basis	Cumulative Adjustment to Basis	Total Gain or Loss (-)	Gain or Loss Classification		AMT Adjustment
						Ordinary Gain	Capital Gain or Loss (-)	
20	08/20/2015			(5)		2		-
180	08/20/2015			(55)		36		(2)
820	08/20/2015			(253)		163		(9)
2,980	08/20/2015			(805)		292		(21)
PARTNER TOTALS						493		(32)
REFERENCES						Form 4797 Part II, Line 10	Form 1040 Sch. D and Form 8949	Form 6251 Line 17

NOTES:

- (1) If you have Ordinary Gain in Column 7, an IRC Section 751 statement must be attached to your tax return. The statement should read as follows: "The taxpayer has reported ordinary income upon the disposition of units in LRR Energy, L.P., as provided by the Partnership. The amount was determined in accordance with Internal Revenue Code Section 751. Detailed information is available from the Partnership upon request."
- (2) If you disposed of a portion of your Partnership interest, any loss resulting therefrom may be subject to the passive activity loss limitation rules. Gain determined from this sales schedule will be considered Net Investment Income and may be subject to an additional 3.8% tax if you are a passive investor with respect to the activities of the Partnership. Please consult your tax advisor to determine if your gain is Net Investment Income and whether you are subject to this 3.8% tax.
- (3) Certain states require that nonresidents apportion the gain or loss from the sale of a partnership interest to their state, such as Oklahoma. The applicable current year property factor for Oklahoma is 23.4210%. The reporting requirements for each state may vary, and there could be additional states with similar requirements; therefore, it is important to consult with your tax preparer in completing any applicable state tax returns.

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.

However, the deduction for percentage depletion might be limited depending on the unitholder's taxable income or production volume limit (see 20T5 below). Generally, the percentage depletion portion of the total sustained depletion deduction (Box 20T3 and Box 20T4) is limited to 65% of the amount of your taxable income before the percentage depletion deduction and without regard to any net operating loss carryback or capital loss carryback. Any portion of percentage depletion deduction disallowed under the 65% limit may be carried over. Additionally, your ability to take the deduction in the current year may be restricted if you have a net passive activity loss from LRR Energy, L.P. for the year. Please note that independent producers and royalty owners are the only taxpayers eligible for percentage depletion. An independent producer is generally anyone other than a "retailer" or "refiner." Please consult your tax advisor for help in determining your allowable deduction.

Box 20T1: Total Sustained Depletion:

This amount represents the maximum allowable depletion deduction before consideration of the limitations noted above. This amount is the sum of Box 20T2, 20T3 & 20T4 on the Schedule K-1 (column 5, 6 & 7 on the state schedule reflect the respective state amounts). Please note that this amount is not deducted in the calculation of Box 1 described above.

Box 20T2 & State Schedule Column 7: Cost Depletion:

This amount represents the allowable cost depletion.

Box 20T3 & State Schedule Column 5: Percentage Depletion in Excess of Cost Depletion to the Extent of Basis:

This amount represents the percentage depletion above and beyond the allowable cost depletion to the extent of basis. The sum of this amount plus Box 20T2 & 20T4 equals the maximum allowable depletion deduction from LRR Energy, L.P. reported in Box 20T1.

Box 20T4 & State Schedule Column 6: Percentage Depletion in Excess of Basis:

This amount represents the percentage depletion above and beyond the allowable cost depletion in excess of basis. The sum of this amount plus Box 20T2 & 20T3 equals the maximum allowable depletion deduction from LRR Energy, L.P. reported in Box 20T1.

Box 20T5: Net Equivalent Barrels:

This item reflects your annual portion of net equivalent oil and gas barrels produced in computing your percentage depletion allowance in Box 20T. Federal tax statutes allow a maximum depletable quantity of 1,000 net equivalent barrels of oil and gas per day. The depletion allowance shown in Box 20T is computed without regard for the barrel limitation as any limitation will need to be determined by you. Please consult your tax advisor.

Box 20V: Unrelated Business Taxable Income (UBTI):

Certain tax-exempt organizations, including but not limited to qualified pension, profit-sharing and stock bonus plans and Individual Retirement Accounts, may be subject to federal income tax with respect to unrelated business taxable income.

A portion of these organizations' allocable share of LRR Energy, L.P.'s income is unrelated business taxable income since it is attributable to debt-financed property and oil and gas working interests. Unrelated business taxable income reported in Box 20V reflects a full deduction for the amount of IDC in Box 13J and depletion in Box 20T1. See instructions for Boxes 13J and 20T1 in case an adjustment may apply at the partner level.

General Information: Net Investment Income Tax is an additional U.S. federal income tax of 3.8%. Net Investment Income includes, but is not limited to, all income from interest, dividends, capital gains, rents and royalties, and distributable share of partnership income from passive activities. Please consult your tax advisor to determine if income disclosed on this Schedule K-1 is subject to Net Investment Income Tax (reportable on Form 8960) and whether you are subject to this tax.

IMPORTANT NOTICE: The information in the enclosed tax package is provided by the Partnership to assist you in preparing your tax return. The information reflects the application of various assumptions and conventions, as disclosed by the Partnership to you in various SEC filings and other offering documents. It is anticipated that the Partnership may provide disclosure of certain of these assumptions and conventions in the preparation of the Partnership return as warranted to the Internal Revenue Service and/or other taxing authorities.

We suggest that you refer to the appropriate federal and state income tax laws, instructions, and SEC filings and other offering documents, and that you consult your tax advisor with any questions. You should discuss with your tax advisor whether the treatment of any items in the enclosed tax package may subject you and/or your tax advisor to a penalty by a taxing authority and the need to adequately disclose any items in order to avoid such penalty.