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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 6, 2009

CROSSTEX ENERGY, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

000-50067

(Commission File Number)

16-1616605

(IRS Employer Identification No.)

**2501 CEDAR SPRINGS
DALLAS, TEXAS**

(Address of principal executive offices)

75201

(Zip Code)

Registrant's telephone number, including area code: **(214) 953-9500**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01. Completion of Acquisition or Disposition of Assets.

On August 6, 2009, Crosstex Energy Services, L.P. and Crosstex Energy Services GP, LLC (collectively, the “Sellers”), subsidiaries of Crosstex Energy, L.P. (the “Partnership”), completed the sale of the Partnership’s Mississippi, Alabama and south Texas assets, consisting of all of the partnership interests of certain Crosstex entities holding such assets (the “Transferred Assets”) to Southcross Energy LLC (the “Purchaser”) pursuant to the terms of the Purchase and Sale Agreement dated June 9, 2009, as amended (the “Purchase Agreement”). At closing the Purchaser paid an amount in cash equal to approximately \$218.0 million, which represents the purchase price of \$220.0 million adjusted for working capital and price adjustments provided for in the Purchase Agreement, and which is subject to further post-closing adjustments as provided for in the Purchase Agreement. The Partnership previously announced the entry into the Purchase Agreement in its Current Report on Form 8-K filed with the Securities and Exchange Commission on June 11, 2009.

Item 7.01. Regulation FD Disclosure.

On August 6, 2009, the Partnership issued a press release (the “Press Release”) reporting the sale of the Transferred Assets. A copy of the Press Release is furnished as exhibit 99.1 to this Current Report. In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in the attached exhibit 99.1 are deemed to be furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Item 9.01. Financial Statements and Exhibits.*(b) Pro Forma Financial Information.*

The Transferred Assets have been reflected as discontinued operations in the Partnership’s consolidated statements of operations and reflected as assets and liabilities held for sale in the Partnership’s condensed consolidated balance sheets in its Form 10-Q for the quarter ended June 30, 2009 filed with the Securities and Exchange Commission on August 7, 2009. Because the financial statements included in the Partnership’s Form 10-Q for the quarter ended June 30, 2009 show the historical effect of the sale of the Transferred Assets for the three and six month periods ended June 30, 2009 and June 30, 2008 and the condensed consolidated balance sheet for June 30, 2009, the Partnership believes those statements represent the pro forma consolidated statement of operations for the three and six months ended June 30, 2009 and the pro forma condensed consolidated balance sheet as of June 30, 2009 and will not file separate pro forma financial statements for these periods. The unaudited pro forma consolidated financial information for the year ended December 31, 2008 giving effect to the sale of the Transferred Assets is included as exhibit 99.2.

(d) Exhibits.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached exhibit 99.1 is deemed to be furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1	— Press Release dated August 6, 2009.
99.2	— Unaudited pro forma consolidated financial information for the year ended December 31, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CROSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P., its General Partner

By: Crosstex Energy GP, LLC, its General Partner

Date: August 11, 2009

By: /s/ William W. Davis
William W. Davis
Executive Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

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99.2	— Unaudited pro forma consolidated financial information for the year ended December 31, 2008.



CROSSTEX
Delivering Success

FOR IMMEDIATE RELEASE
AUGUST 6, 2009

Contact: Jill McMillan, Manager, Public & Industry Affairs
Phone: (214) 721-9271
Jill.McMillan@CrosstexEnergy.com

CROSSTEX COMPLETES SALE OF MISSISSIPPI, ALABAMA AND SOUTH TEXAS ASSETS

Net Proceeds to Reduce Leverage

DALLAS, August 6, 2009 – Crosstex Energy, L.P. (NASDAQ: XTEX) (the Partnership) announced today the completion of the sale of its Mississippi, Alabama and South Texas assets to Southcross Energy, LLC, a Dallas-based natural gas transportation and processing company for \$220 million. Crosstex will use the net proceeds from the transaction to repay approximately \$212 million of the Partnership's outstanding debt, which will satisfy the targets for debt reductions in September 2009 and December 2009 established in the Partnership's amendments to its debt facilities.

"Completion of this sale is a significant step in the execution of our plan, and it will allow us to reduce debt," said Barry E. Davis, Crosstex President and Chief Executive Officer. "As we have previously stated, asset sales are an important part of our deleveraging initiatives, and we will continue to explore other transactions that we believe are in the best interests of the company and our stakeholders."

Goldman, Sachs & Co. served as the exclusive financial advisor to Crosstex in connection with the transaction.

Crosstex to Hold Second-Quarter Earnings Conference Call Tomorrow, Friday, August 7

The Partnership and Crosstex Energy, Inc. (NASDAQ:XTXI) (the Corporation) will hold their quarterly conference call to discuss second-quarter 2009 results tomorrow, Friday, August 7, at 10:00 a.m. Central Time (11:00 a.m. Eastern Time). The dial-in number for the call is 1-888-679-8037. Callers outside the United States should dial 1-617-213-4849. The passcode for all callers is 54146916. Investors are advised to dial in to the call at least 10 minutes prior to the call time to register. Participants may preregister for the call at <https://www.theconferencingservice.com/prereg/key.process?key=PHXYKGDFH>. Preregistrants will be issued a pin number to use when dialing in to the live call, which will provide quick access to the conference by bypassing the operator upon connection. Interested parties also can access a live Web cast of the call on the Investors page of Crosstex's Web site at www.crosstexenergy.com.

- more -

After the conference call, a replay can be accessed until November 4, 2009, by dialing 1-888-286-8010. International callers should dial 1-617-801-6888 for a replay. The passcode for all callers listening to the replay is 59024267. Interested parties also can visit the Investors page of Crosstex's Web site to listen to a replay of the call.

About the Crosstex Energy Companies

After the closing of the assets sale, Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates approximately 3,300 miles of pipeline, 10 processing plants, three fractionators, and approximately 180 natural gas amine-treating plants and dew-point control plants. The Partnership currently provides services for 3.2 billion cubic feet per day of natural gas, or approximately six percent of marketed U.S. daily production.

Crosstex Energy, Inc. owns the two percent general partner interest, a 33 percent limited partner interest, and the incentive distribution rights of Crosstex Energy, L.P.

Additional information about the Crosstex companies can be found at www.crosstexenergy.com.

About Southcross Energy, LLC

Southcross Energy, LLC, headquartered in Dallas, is a newly formed midstream natural gas company. It was established with the management team of Estrella Energy, LP and Charlesbank Capital Partners. For additional information about Southcross Energy, contact Rick Lemmon at 214-393-7506 or by email at lemmon@southcrossenergy.com

About Charlesbank Capital Partners, LLC

Charlesbank Capital Partners, LLC is a middle-market private equity investment firm managing more than \$1.5 billion of capital. Charlesbank focuses on management-led buyouts and growth capital financings, typically investing \$25 million to \$100 million per transaction in companies with enterprise values of \$50 million to \$750 million. The firm seeks to partner with strong management teams to build companies with sustainable competitive advantages and excellent prospects for growth. For more information, visit www.charlesbank.com.

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Unaudited Pro Forma Consolidated Statement of Operations

The accompanying pro forma consolidated statement of operations is presented in accordance with Article 11 of Regulation S-X and has been prepared to reflect Crosstex Energy, L.P.'s ("the Partnership") disposition of its assets located in Mississippi, Alabama and south Texas. The Partnership sold these assets on August 6, 2009 for cash consideration of approximately \$218.0 million which represents the purchase price of \$220.0 million adjusted for working capital and purchase price adjustments provided for in the purchase agreement.

The pro forma consolidated statement of operations for the year ended December 31, 2008 reflects the pro forma adjustments as though the disposition had occurred on January 1, 2008. The Partnership will recognize a gain on sale of approximately \$98.0 million based on estimated net proceeds but this gain is not reflected as a pro forma adjustment since it does not have a continuing impact to operations. Sales proceeds, net of transaction costs and other obligations associated with the sale, of \$212.0 million were used to repay long-term indebtedness. No income taxes are attributed to income from discontinued operations and no general and administrative expenses have been allocated to assets sold.

The historical financial information included in the column titled "Crosstex Energy, L.P." was derived from the Partnership's financial statements included in its Form 10-K for the year ended December 31, 2008 and only includes the portion through "loss from continuing operations." The historical financial information has been recast to attribute net income to non-controlling interest in accordance with Statement of Accounting Standards No. 160, "*Non-Controlling Interest in Consolidated Financial Statements*." In addition, the net income (loss) per limited partners' unit has been adjusted to conform with the requirements of the Financial Accounting Staff Board staff position FSP EITF 03-6-1 which requires unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents to be treated as *participating securities* as defined in Emerging Issues Task Force Issue No. 03-6, "*Participating Securities and the Two-Class Method under FASB Statement No. 128*."

The unaudited pro forma consolidated financial information is based on assumptions that the Partnership believes are reasonable under the circumstances and are intended for informational purposes only. Actual results may differ from the estimates and assumptions used. They are not necessarily indicative of the financial results that would have occurred if this disposition had taken place on the dates indicated, nor are they indicative of future results.

CROSSTEX ENERGY, L.P.

Unaudited Pro Forma Consolidated Statement of Operations

For the Year Ended December 31, 2008

(In Thousands Except Unit Data And Per Unit Data)

	Crosstex Energy, L.P.	Pro Forma Adjustments	Pro Forma
Revenues:			
Midstream	\$ 4,838,747	\$ (1,766,101)(a)	\$ 3,072,646
Treating	64,953	(16,338)(a)	48,615
Profit on energy trading activities	3,349	—	3,349
Total revenues	4,907,049	(1,782,439)	3,124,610
Operating costs and expenses:			
Midstream purchased gas	4,471,308	(1,701,635)(a)	2,769,673
Treating purchased gas	14,579	(14,579)(a)	—
Operating expenses	169,048	(21,662)(a)	147,386
General and administrative	71,005	(161)(a)	70,844
Gain on sale of property	(1,519)	19(a)	(1,500)
Gain on derivatives	(12,203)	3,584(a)	(8,619)
Impairment	30,436	—	30,436
Depreciation and amortization	131,187	(12,349)(a)	118,838
Total operating costs and expenses	4,873,841	(1,746,783)	3,127,058
Operating income	33,208	(35,656)	(2,448)
Other income (expense):			
Interest expense, net	(102,675)	13,284(b)	(89,391)
Other income	27,757	(12)(a)	27,745
Total other income (expense)	(74,918)	13,272	(61,646)
Loss from continuing operations before non-controlling interest and income taxes	(41,710)	(22,384)	(64,094)
Income tax provision	(2,765)	—	(2,765)
Net loss from continuing operations	(44,475)	(22,384)	(66,859)
Less: Net income from continuing operations attributable to the non-controlling interest	311	—	311
Net loss from continuing operations attributable to Crosstex Energy, L.P.	\$ (44,786)	\$ (22,384)	\$ (67,170)
General partner interest in net income from continuing operations including incentive distribution rights	\$ 25,304		\$ 24,856
Limited partners' interest in net loss from continuing operations attributable to Crosstex Energy, L.P.	\$ (70,090)		\$ (92,026)
Net income (loss) from continuing operations per limited partners' unit:			
Basic and diluted common unit	\$ (4.46)		\$ (4.97)
Basic and diluted senior subordinated series C unit	\$ 9.44		\$ 9.44
Weighted-average units outstanding:			
Basic and diluted common units	42,330		42,330
Basic and diluted senior subordinated series C units	12,830		12,830

Notes to Unaudited Pro Forma Consolidated Statement of Operations

Pro Forma Adjustment Explanations

- (a) Adjustments to eliminate the revenues and expenses directly attributable to the Mississippi, Alabama and south Texas assets sold.
- (b) Adjustment to reflect the interest savings from the debt repayment of \$212.0 million using a 6.16% annual rate which represents the weighted average interest rate for the year ended December 31, 2008 attributable to the debt repaid.