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): October 1, 2009

CROSSTEX ENERGY, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE	000-50067	16-1616605
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2501 CEDAR SPRINGS DALLAS, TEXAS	75201
(Address of principal executive offices)	(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))

Item 2.01. Completion of Acquisition or Disposition of Assets.

On October 1, 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 natural gas treating business, consisting of all of the partnership interests of Crosstex Treating Services, L.P. (the "Transferred Assets") to KM Treating GP LLC, a subsidiary of Kinder-Morgan Energy Partners, L.P. (the "Purchaser"), pursuant to the terms of the Partnership Interest Purchase and Sale Agreement dated August 28, 2009 (the "Purchase Agreement"). At closing the Purchaser paid an amount in cash equal to approximately $265.4 million, which includes 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 September 3, 2009.

Item 7.01. Regulation FD Disclosure.

On October 1, 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 unaudited pro forma consolidated Statement of Operations for the year ended December 31, 2008 and the six months ended June 30, 2009 and the unaudited pro forma condensed Consolidated Balance Sheet as of June 30, 2009 giving effect to the sale of the Transferred Assets are 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.

EXHIBIT NUMBER		DESCRIPTION
99.1	—	Press Release dated October 1, 2009.
99.2	—	Unaudited pro forma consolidated Statement of Operations for the year ended December 31, 2008 and the six months ended June 30, 2009 and unaudited pro forma condensed Consolidated Balance Sheet as of June 30, 2009.

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.

CROSSTEX ENERGY, L.P.

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

By: Crosstex Energy GP, LLC, its General Partner

Date: October 7, 2009

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

INDEX TO EXHIBITS

EXHIBIT NUMBER		DESCRIPTION
99.1	—	Press Release dated October 1, 2009.
99.2	—	Unaudited pro forma consolidated Statement of Operations for the year ended December 31, 2008 and the six months ended June 30, 2009 and unaudited pro forma condensed Consolidated Balance Sheet as of June 30, 2009.

Exhibit 99.1

FOR IMMEDIATE RELEASE
OCTOBER 1, 2009

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

CROSSTEX COMPLETES SALE OF NATURAL GAS TREATING BUSINESS FOR $266 MILLION

Company Satisfies Debt Reduction Target; Reduces Outstanding Debt by More Than $500 Million

DALLAS, October 1, 2009 — The Crosstex Energy companies, Crosstex Energy, L.P. (NASDAQ: XTEX) (the Partnership) and Crosstex Energy, Inc. (NASDAQ: XTXI) (the Corporation), announced today the completion of the sale of the Partnership's natural gas treating business to Houston-based Kinder Morgan Energy Partners, L.P. (NYSE: KMP), one of the largest pipeline transportation and energy storage companies in North America. The purchase price was approximately $266 million, including working capital and closing adjustments. Crosstex will use the net proceeds from the transaction to pay down approximately $259 million of the Partnership's outstanding debt. This debt repayment, in addition to repayments made with proceeds from previous asset sales, fully satisfies the targeted debt reduction established in the Partnership's amendments to its debt facilities entered into in the spring of this year.

"The completion of this sale is another important step forward in the execution of our strategic plan. Asset sales have enabled us to reduce debt by more than $500 million, improving our leverage position and liquidity. We are focused on enhancing profitability by increasing margins, reducing costs and achieving operating efficiencies throughout our core assets in the Barnett and Haynesville shales and our natural gas liquids business. We have made substantial progress, which is reflected in our solid results and improved guidance for 2009," said Barry E. Davis, Crosstex President and Chief Executive Officer.

"We will continue to explore additional means to increase financial flexibility and enhance our bottom line, with a goal of restoring distributions and dividends to our unitholders and shareholders," Davis added.

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

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About the Crosstex Energy Companies

Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates approximately 3,300 miles of pipeline, 10 processing plants and three fractionators. 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 atwww.crosstexenergy.com.

This press release contains forward-looking statements within the meaning of the federal securities laws. These statements are based on certain assumptions made by the Partnership and the Corporation based upon management's experience and perception of historical trends, current conditions, expected future developments and other factors the Partnership and the Corporation believe are appropriate in the circumstances. These statements include, but are not limited to, statements with respect to the Partnership's future liquidity, leverage, business and results of operations and to the payment of dividends and distributions. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Partnership and the Corporation, which may cause the Partnership's and the Corporation's actual results to differ materially from those implied or expressed by the forward-looking statements. These risks include, but are not limited to, risks discussed in the Partnership's and the Corporation's filings with the Securities and Exchange Commission. The Partnership and the Corporation have no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Unaudited Pro Forma Consolidated Financial Statements

The accompanying unaudited pro forma consolidated financial statements for Crosstex Energy, L.P. ("the Partnership") as of June 30, 2009, and for the six months ended June 30, 2009 and the year ended December 31, 2008 are presented in accordance with Article 11 of Regulation S-X. The Partnership sold its assets located in Mississippi, Alabama and south Texas (referred to as "Midstream 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. In addition, the Partnership sold all of its Treating segment assets (referred to as "Treating Assets"), other than 5 treating plants used in the Partnership's continuing midstream operations, on October 1, 2009 for cash consideration of approximately $266.0 million. The unaudited pro forma condensed consolidated balance sheet assumes the Partnership's dispositions of its Midstream Assets and Treating Assets had occurred as of June 30, 2009. The unaudited pro forma consolidated statement of operations for the six months ended June 30, 2009 reflects the pro forma adjustments as though the Treating Asset disposition had occurred on January 1, 2009. The Midstream Assets sold were included in discontinued operations in the historical financial information for the six months ended June 30, 2009 so no pro forma adjustments were needed for income from continuing operations. The pro forma consolidated statement of operations for the year ended December 31, 2008 reflects the pro forma adjustments as though the dispositions of the Midstream Assets and Treating Assets had occurred on January 1, 2008. The Partnership will recognize a gain on sale of approximately $98.1 million attributable to the Midstream Asset sale and approximately $85.0 million attributable to the Treating Asset sale based on estimated net proceeds. These gains are not reflected as a pro forma adjustment since they do not have a continuing impact to operations. Net cash proceeds of $212.0 million and $258.1 million related to the Midstream Asset and Treating Asset sales, respectively, were used to repay long-term indebtedness.

The historical financial information included in the column titled "Crosstex Energy, L.P." for the six months ended June 30, 2009 was derived from the Partnership's financial statements included in its Form 10-Q for the quarter ended June 30, 2009 and, with respect to the statement of operations, only includes the portion through "loss from continuing operations."

The historical financial information included in the column titled "Crosstex Energy, L.P." for the year ended December 31, 2008 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 FASB ASC 810-10-65-1. In addition, the net income (loss) per limited partners' unit has been adjusted to conform with the requirements of FASB ASC 260-10-45-60 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 FASB ASC 260-10-20.

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 Condensed Consolidated Balance Sheet

As of June 30, 2009

(In Thousands)

	Crosstex Energy, L.P.	Pro Forma Adjustments	Pro Forma
ASSETS			
Current assets:			
Cash and cash equivalents	$ 869	$ 7,987(a)	$ 12,216
		3,360(b)	
Accounts and notes receivable, net	211,128	(11,656)(b)	199,472
Fair value of derivative assets	8,196	—	8,196
Natural gas and natural gas liquids, prepaid expenses and other	15,205	(98)(b)	15,107
Assets held for sale	169,345	(169,345)(a)	—
Total current assets	404,743	(169,752)	234,991
Property and equipment, net of accumulated depreciation of $218,647	1,415,454	(146,097)(b)	1,269,357
Fair value of derivative assets	7,553	—	7,553
Intangible assets, net of accumulated amortization	559,483	(5,793)(b)	553,690
Goodwill	19,673	(19,673)(b)	—
Other assets, net	16,951	(4,120)(c)	12,831
Total assets	$ 2,423,857	$ (345,435)	$ 2,078,422
LIABILITIES AND PARTNERS' EQUITY			
Current liabilities:			
Accounts payable, drafts payable and accrued gas purchases	$ 143,537	$ (550)(b)	$ 142,987
Fair value of derivative liabilities	21,696	—	21,696
Current portion of long-term debt	24,412	—	24,412
Other current liabilities	60,182	(2,189)(b)	57,993
Liabilities of assets held for sale	46,876	(46,876)(a)	—
Total current liabilities	296,703	(49,615)	247,088
Long-term debt	1,318,637	(211,978)(a)	848,560
		(258,099)(b)	
Obligations under capital lease	24,608	(2,887)(b)	21,721
Deferred tax liability	8,310	—	8,310
Fair value of derivative liabilities	18,372	—	18,372
Commitments and contingencies	—	—	—
Partners' equity including non-controlling interest	757,227	97,496(a)	934,371
		83,768(b)	
		(4,120)(c)	
Total liabilities and equity	$ 2,423,857	$ (345,435)	$ 2,078,422

CROSSTEX ENERGY, L.P.

Unaudited Pro Forma Consolidated Statement of Operations

For the Six Months Ended June 30, 2009

(In Thousands Except Unit Data And Per Unit Data)

	Crosstex Energy, L.P.	Pro Forma Adjustments	Pro Forma
Revenues:			
Midstream	$ 700,257	$ —	$ 700,257
Treating	28,204	(28,204)(d)	—
Profit on energy trading activities	2,141	—	2,141
Total revenues	$ 730,602	(28,204)	702,398
Operating costs and expenses:			
Midstream purchased gas	555,351	—	555,351
Operating expenses	64,589	(8,882)(d)	55,707
General and administrative	28,342	(777)(d)	27,565
Gain on sale of property	(594)	50(d)	(544)
Gain on derivatives	(5,051)	—	(5,051)
Depreciation and amortization	65,313	(5,644)(d)	(59,669)
Total operating costs and expenses	707,950	(15,253)	692,697
Operating income	22,652	(12,951)	9,701
Other income (expense):			
Interest expense, net	(48,400)	9,858(e)	(38,542)
Loss on extinguishment of debt	(4,669)	—	(4,669)
Other income	121	—	121
Total other expense	(52,948)	9,858	(43,090)
Loss from continuing operations before non-controlling interest and income taxes	(30,296)	(3,093)	(33,389)
Income tax (provision)	(1,150)	274(f)	(876)
Net loss from continuing operations	(31,446)	(2,819)	(34,265)
Less: Net income from continuing operations attributable to the non-controlling interest	41	—	41
Net loss from continuing operations attributable to Crosstex Energy, L.P.	$ (31,487)	$ (2,819)	$ (34,306)
General partner interest in net income from continuing operations including incentive distribution rights	$ (2,007)		$ (2,063)
Limited partners' interest in net loss from continuing operations attributable to Crosstex Energy, L.P.	$ (29,480)		$ (32,243)
Net income (loss) from continuing operations per limited partners' unit:			
Basic and diluted common unit	$ (1.34)		$ (1.40)
Basic and diluted senior subordinated series D unit	$ 8.85		$ 8.85
Weighted-average units outstanding:			
Basic and diluted common units	47,189		47,189
Basic and diluted senior subordinated series D units	3,875		3,875

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)(g)	$ 3,072,646
Treating	64,953	(16,338)(g)	—
		(48,615)(d)	
Profit on energy trading activities	3,349	—	3,349
Total revenues	4,907,049	(1,831,054)	3,075,995
Operating costs and expenses:			
Midstream purchased gas	4,471,308	(1,701,635)(g)	2,769,673
Treating purchased gas	14,579	(14,579)(g)	—
Operating expenses	169,048	(21,662)(g)	125,760
		(21,626)(d)	
General and administrative	71,005	(161)(g)	68,864
		(1,980)(d)	
Gain on sale of property	(1,519)	19(g)	(946)
		554(d)	
Gain on derivatives	(12,203)	3,584(g)	(8,619)
Impairment	30,436	(1,064)(d)	29,372
Depreciation and amortization	131,187	(12,349)(g)	107,521
		(11,317)(d)	
Total operating costs and expenses	4,873,841	(1,782,216)	3,091,625
Operating income	33,208	(48,838)	(15,630)
Other income (expense):			
Interest expense, net	(102,675)	13,284(h)	(73,497)
		15,894(e)	
Other income	27,757	(12)(g)	27,745
Total other expense	(74,918)	29,166	(45,752)
Loss from continuing operations before non-controlling interest and income taxes	(41,710)	(19,672)	(61,382)
Income tax provision	(2,765)	396(f)	(2,369)
Net loss from continuing operations	(44,475)	(19,276)	(63,751)
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)	$ (19,276)	$ (64,062)
General partner interest in net income including incentive distribution rights	$ 25,304		$ 24,919
Limited partners' interest in net loss attributable to Crosstex Energy, L.P.	$ (70,090)		$ (88,981)
Net income (loss) from continuing operations per limited partners' unit:			
Basic and diluted common unit	$ (4.46)		$ (4.90)
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 Financial Statements

Pro Forma Adjustment Explanations

(a) The following adjustments were made to reflect the disposition of the Midstream Assets as of June 30, 2009: (i) the disposition of the Midstream Assets which were included in assets held for sale ($169.3 million) and liabilities of assets held for sale ($46.9 million) in the historical financial information as of June 30, 2009; (ii) the use of proceeds from the sale, net of transaction costs and other obligations associated with the sale, of $212.0 million to repay long-term indebtedness; (iii) the recognition of $8.0 million in cash to be collected from working capital related to the Midstream Assets sold but retained by the Partnership in the sale; and (iv) the recognition of the estimated gain on sale of $98.1 million, and net of exit costs of $0.6 million in partners' equity.

(b) The following adjustments were made to reflect the disposition of the Treating Assets as of June 30, 2009: (i) the disposition of Treating Assets including goodwill related to the Treating segment and related liabilities; (ii) the use of proceeds from the sale, net of transaction costs and other obligations associated with the sale, of $258.1 million to repay long-term indebtedness; (iii) the recognition of $3.4 million in cash to be collected from working capital related to the Treating Assets but retained by the Partnership in the sale; and (iv) the recognition of the estimated gain on sale of $85.0 million, and net of exit costs of $1.2 million in partners' equity.

(c) Adjustment to reflect the write-off of unamortized debt issuance costs attributable to the repayment of long-term indebtedness and the related reduction in the Partnership's borrowing capacity.

(d) Adjustments to eliminate the revenues and expenses directly attributable to the Treating assets sold.

(e) Adjustments to reflect the interest savings related to the debt repayment from proceeds from the sale of the Treating Assets using a 7.62% annual rate for the six months ended June 30, 2009 and a 6.16% annual rate for the year ended December 31, 2008, which represent the weighted average interest rates for the applicable historical periods.

(f) Adjustment to reflect the decrease in income taxes related to the assets sold.

(g) Adjustments to eliminate the revenues and expenses directly attributable to the Midstream Assets sold.

(h) Adjustment to reflect the interest savings related to the debt repayment from the proceeds from the sale of the Midstream Assets using a 6.16% annual rate which represents the weighted average interest rate for the applicable historical period.