

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL	
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**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Form 3 Holdings Reported.

Form 4 Transactions Reported.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <b>WALES JAMES R</b>  (Last) (First) (Middle) <b>2501 CEDAR SPRINGS SUITE 600</b>  (Street) <b>DALLAS TX 75201</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>CROSSTEX ENERGY LP [ XTEX ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <b>Exec VP</b>
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <b>12/31/2003</b>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common units representing limited partnership interests							10,356 <sup>(1)</sup>	I	By Crosstex Holdings, L.P. <sup>(2)</sup>

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					(A)	(D)	Date Exercisable	Expiration Date					
See footnote <sup>(3)</sup>	(4)						(4)	(4)	Common Units representing limited partnership interests	145,142 <sup>(1)</sup>	145,142 <sup>(1)</sup>	I	By Crosstex Holdings, L.P. <sup>(2)</sup>

**Explanation of Responses:**

1. These securities were issued to Crosstex Energy, Inc. (formerly known as Crosstex Energy Holdings Inc.) upon the closing of the Issuer's initial public offering December 17, 2002. Crosstex Energy, Inc. assigned ownership of these securities to Crosstex Holdings, L.P., an indirect wholly-owned subsidiary of Crosstex Energy, Inc., in October, 2003.

2. Crosstex Energy, Inc. indirectly owns Crosstex Holdings, L.P. Crosstex Holdings, L.P. directly owns Crosstex Energy GP, LLC. In addition, Crosstex Holdings, L.P. owns 330,000 of the Issuer's common units representing limited partnership interests and 4,677,000 of the Issuer's subordinated units representing limited partnership interests. Mr. Wales beneficially owns securities in Crosstex Energy, Inc. representing 3.11% of the voting power thereof. As a result, Mr. Wales may be deemed to be the beneficial owner of a portion of the common units and subordinated units owned by Crosstex Holdings, L.P. Mr. Wales disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein, and the inclusion of these securities shall not be deemed an admission of beneficial ownership of all of the securities held by Crosstex Holdings, L.P. for purposes of Section 16 or for any other purpose.

3. Subordinated units representing limited partnership interests

4. The subordination period will end once the financial tests in the Issuer's partnership agreement are met. When the subordination period ends, each remaining subordinated unit will convert into one common unit.

**Remarks:**

James R. Wales is an Executive Vice President of Crosstex Energy GP, LLC, the general partner of Crosstex Energy GP, L.P., which owns a 2% general partner interest in the Issuer.

/s/ Leslie J. Wylie, by?power?of? attorney 02/17/2004

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

**POWER OF ATTORNEY**  
For Executing Forms 3, 4 and 5

Know all by these presents, that the undersigned hereby constitutes and appoints each of Leslie J. Wylie, William W. Davis and Greg G. Turner, signing singly, as the undersigned's true and lawful attorneys-in-fact to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer, designated insider and/or director of Crosstex Energy, L.P. (the "Company"), Forms 3, 4 and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4 or 5, complete and execute any amendment or amendments thereto and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of either such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by either such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such signing attorney-in-fact may approve in his discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities relating to the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of February 13, 2004.

/s/ James R. Wales  
Signature

James R. Wales  
Printed Name