

**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): **December 7, 2012**

CROSSTEX ENERGY, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

000-50067
(Commission File
Number)

16-1616605
(I.R.S. 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 *see* General Instruction A.2. below):

- 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 8.01 Other Events

On May 8, 2012, Crosstex Energy, L.P. (the "Partnership") filed a current report on Form 8-K in connection with the acquisition by a subsidiary of the Partnership of all of the issued and outstanding common stock of Clearfield Energy, Inc. (together with its subsidiaries, the "Clearfield entities"). On July 2, 2012, the acquisition was completed, and the Clearfield entities became indirectly wholly-owned subsidiaries of the Partnership. On August 1, 2012, the Partnership filed a Form 8-K/A, which provided unaudited pro forma combined financial statements of the Partnership as of and for the three months ended March 31, 2012 and for the twelve months ended December 31, 2011, including the notes thereto, as well as the audited financial statements of the Clearfield entities as of and for the twelve months ended March 31, 2012, including the notes thereto. The Partnership is filing this Form 8-K to provide certain additional pro forma financial information giving effect to the acquisition.

ITEM 9.01 Financial Statements and Exhibits

(b) Pro Forma Financial Information

The unaudited pro forma combined statement of operations of the Partnership for the nine months ended September 30, 2012, including the notes thereto, is filed herewith as Exhibit 99.1.

(d) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	— Unaudited Pro Forma Financial Statements of Crosstex Energy, L.P.

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, LLC, its General Partner

Date: December 7, 2012

By: /s/ MICHAEL J. GARBERDING

Michael J. Garberding
Senior Vice President and
Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
99.1	— Unaudited Pro Forma Financial Statements of Crosstex Energy, L.P.

Crosstex Energy, L. P.
Unaudited Pro Forma Combined Financial Statements

Introduction

The following is our unaudited combined pro forma statement of operations for the nine months ended September 30, 2012.

The unaudited pro forma combined statement of operations assumes that the following transactions occurred on January 1, 2011:

- the acquisition (the “Clearfield Acquisition”) of Clearfield Energy, Inc. (“Clearfield”) for \$212.5 million in cash before working capital adjustments;
- our issuance of \$250.0 million in aggregate principal amount of 7.125% senior unsecured notes due 2022 (the “2022 Notes”) for net proceeds of \$245.1 million, net of transaction costs, the proceeds of which were used to partially finance the Clearfield Acquisition;
- our offering of 10,120,000 common units at a unit price of \$16.28 (\$15.63 net of transaction costs) for net proceeds of \$161.4 million, including a \$3.4 million capital contribution from our general partner, the proceeds of which were used to partially finance the Clearfield Acquisition.

The pro forma statement of operations was derived by adjusting the historical financial statements of Crosstex Energy, L.P. The adjustments are based on currently available information and, therefore, the actual adjustments may differ from the pro forma adjustments.

The Crosstex historical results for the nine months ended September 30, 2012 include the results of the Clearfield Acquisition from the acquisition date of July 2, 2012 forward. The Clearfield historical results are from January 1, 2012 through July 2, 2012.

Management believes that the adjustments provide a reasonable basis for presenting the significant effects of the Clearfield Acquisition, issuance of the 2022 Notes and issuance of common units. The unaudited pro forma financial statements do not purport to present the financial position or results of operations of Crosstex Energy, L.P. had the Clearfield Acquisition, the 2022 Notes issuance or issuance of common units actually been completed as of the dates indicated. Moreover, the statements do not project the financial position or results of operations of Crosstex Energy, L.P. for any future date or period.

Unaudited Pro Forma Combined Statement of Operations

Nine Months ended September 30, 2012

(In thousands, except unit data)

	<u>Crosstex Historical</u>	<u>Clearfield Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues	\$ 1,129,871	\$ 105,911	\$ —	\$ 1,235,782
Operating costs and expenses:				
Purchased gas, NGLs and crude oil	840,070	83,445	—	923,515
Operating expenses	93,928	12,358	—	106,286
General and administrative	44,398	—	—	44,398
Gain on sale of property	(395)	—	—	(395)
Gain on derivatives	(1,977)	—	—	(1,977)
Depreciation and amortization	110,107	2,681	1,882 (a)	114,670
Total operating costs and expenses	<u>1,086,131</u>	<u>98,484</u>	<u>1,882</u>	<u>1,186,497</u>
Operating income (loss)	43,740	7,427	(1,882)	49,285
Other income (expense):				
Interest expense, net of interest income	(63,932)	(36)	(6,791) (b)	(70,759)
Equity in earnings of limited liability company	1,511	—	—	1,511
Other income	4,464	—	—	4,464
Total other expense	<u>(57,957)</u>	<u>(36)</u>	<u>(6,791)</u>	<u>(64,784)</u>
Income (loss) before non-controlling interest and income taxes	(14,217)	7,391	(8,673)	(15,499)
Income tax provision	(1,507)	(2,006)	1,006 (c)	(2,507)
Net income (loss)	(15,724)	5,385	(7,667)	(18,006)
Less: Net (loss) income attributable to the non-controlling interest	(163)	—	—	(163)
Net income (loss) attributable to Crosstex Energy, L.P.	<u>\$ (15,561)</u>	<u>\$ 5,385</u>	<u>\$ (7,667)</u>	<u>\$ (17,843)</u>
Preferred interest in net income (loss) attributable to Crosstex Energy, L.P.	<u>\$ 15,346</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 15,346</u>
General partner interest in net income (loss)	<u>\$ (420)</u>	<u>\$ —</u>	<u>\$ 102 (d)</u>	<u>\$ (318)</u>
Limited partners' interest in net income (loss)	<u>\$ (30,487)</u>	<u>\$ —</u>	<u>\$ (2,384)</u>	<u>\$ (32,871)</u>
Net loss per limited partners' unit:				
Basic and diluted common unit	<u>\$ (0.53)</u>			<u>\$ (0.53)</u>
Weighted average units outstanding:				
Basic and diluted common unit	<u>56,315</u>		<u>4,776</u>	<u>61,091</u>

Crosstex Energy, L.P.

Notes to Unaudited Pro Forma Combined Financial Statements

Offering and Transactions

The unaudited pro forma combined statement of operations for the nine months ended September 30, 2012 assumes that the following transactions occurred as of January 1, 2011:

- the acquisition (the "Clearfield Acquisition") of Clearfield Energy, Inc. ("Clearfield") for \$212.5 million and direct acquisition costs of \$1.6 million;
- our issuance of \$250.0 million in aggregate principal amount of 7.125% senior unsecured notes for net proceeds of \$245.1 million, net of transaction costs, the proceeds of which were used to partially finance the Clearfield Acquisition;
- our offering of 10,120,000 common units at a unit price of \$16.28 (\$15.63 net of transaction costs) for net proceeds of \$161.4 million, including a \$3.4 million capital contribution from our general partner, the proceeds of which were used to partially finance the Clearfield Acquisition.

The following is an aggregation of Clearfield's historical statement of operations for six months ended June 30, 2012.

Aggregation of Clearfield Historical Financials
(In thousands, except unit data)

	Clearfield Three Months Ended March 31, 2012	Clearfield Three Months Ended June 30, 2012	Clearfield Historical
Revenue	\$ 66,660	\$ 39,251	\$ 105,911
Total revenues	<u>66,660</u>	<u>39,251</u>	<u>105,911</u>
Operating costs and expenses:			
Purchased gas, NGLs and crude oil	52,819	30,626	83,445
Operating expenses	6,664	5,694	12,358
General and administrative	1,669	(1,669)	—
(Gain) loss on sale of property	(1)	1	—
Depreciation and amortization	1,444	1,237	2,681
Total operating costs and expenses	<u>62,595</u>	<u>35,889</u>	<u>98,484</u>
Operating income	4,065	3,362	7,427
Other income (expense):			
Interest expense, net of interest income	(44)	8	(36)
Other income (expense)	128	(128)	—
Total other expense (expense)	<u>84</u>	<u>(120)</u>	<u>(36)</u>
Income from continuing operations before non-controlling interest and income taxes	4,149	3,242	7,391
Income tax provision	(1,910)	(96)	(2,006)
Income from continuing operations, before discontinued operations	<u>2,239</u>	<u>3,146</u>	<u>5,385</u>
Discontinued operations:			
Income from discontinued operations, net of tax	1,947	(1,947)	—
Loss from sale of discontinued operations, net of tax	(8,234)	8,234	—
Discontinued operations, net of tax	<u>(6,287)</u>	<u>6,287</u>	<u>—</u>
Net income (loss)	\$ (4,048)	\$ 9,433	\$ 5,385
Less: Net income (loss) from continuing operations attributable to non-controlling interest	71	(71)	—
Net income (loss) attributable to Clearfield, Inc.	<u>\$ (4,119)</u>	<u>\$ 9,504</u>	<u>\$ 5,385</u>

Pro Forma Adjustments to Consolidated Statement of Operations

- Reflects additional depreciation and amortization expenses realized from the assets acquired from Clearfield as if the acquisition had occurred on January 1, 2011. The additional depreciation and amortization expenses were calculated based on a straight line basis over 15 years.
- Represents the adjustment to historical interest expense on debt to be retired and interest expense on the 2022 Notes as follows (in thousands):

	Nine Months Ended September 30, 2012
Increase in interest due to:	
7 ^{1/8} % Senior Unsecured Notes due 2022	\$ 7,076
Decrease in interest due to:	
Pay down of credit facility	(499)
Clearfield historical interest	(36)
Increase in amortization of deferred financing costs	
7 ^{1/8} % Senior Unsecured Notes due 2022	250
Pro Forma increase to interest expense	<u>\$ 6,791</u>

- Reflects the adjustment of income tax expense for the estimated tax expense associated with our new subsidiaries acquired in the Clearfield Acquisition (the "Clearfield Entities"). Certain of the Clearfield Entities, that primarily hold only fixed-rate financial instruments, will be treated as a C corporation for tax purposes and therefore are required to pay income tax of an estimated incremental annual amount of approximately \$2.0 million on their net income, whereas the income (loss) from the remainder of the Clearfield assets will primarily passthrough to the unitholders of the Partnership similar to the Partnership's legacy results. Historically, Clearfield was owned by a C-Corporation and all of its results were subject to income tax.
- Reflects the increase in the net loss allocation to the general partner due to the increase in its proportionate interest share of pro forma net loss relative to the acquisition adjustments and pro forma adjustments and the increase in general partner's incentive distribution rights (IDRs) resulting from the increased aggregate pro forma distributions related to the 10,120,000 of new common units utilizing the historical per unit distributions for the applicable periods.

	Nine months ended September 30, 2012
GP's interest share of loss	\$ (46)
Increase for IDR	148
Net General Partner Adjustment	<u>\$ 102</u>

