

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) May 4, 2004

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 Number)
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2501 CEDAR SPRINGS, SUITE 600, DALLAS, TEXAS 75201
(Address of principal executive offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (214) 953-9500

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit 99.1 Press Release dated May 4, 2004.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 4, 2004, Crosstex Energy, L.P., a Delaware limited partnership (the "Partnership"), issued a press release describing its financial results for the three-month period ended March 31, 2004. A copy of the Partnership's press release has been furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information on this report shall not be treated as "filed" for purposes of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

CROSSTEX ENERGY, L.P.
(Registrant)

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

By: Crosstex Energy GP, LLC,
its General Partner

Date: May 4, 2004

By: /s/ William W. Davis

William W. Davis
Senior Vice President and
Chief Financial Officer

EXHIBIT
NUMBER
- - - - -

DESCRIPTION
- - - - -

99.1 --

Press Release dated May 4, 2004

Crosstex Reports Record First Quarter Results

DALLAS--(BUSINESS WIRE)--May 4, 2004--The Crosstex Energy companies, Crosstex Energy, L.P. (NasdaqNM:XTEX) (the Partnership) and Crosstex Energy, Inc. (NasdaqNM:XTXI) (the Corporation), today reported strong growth in the first quarter of 2004.

"We are very pleased with the record earnings we accomplished in the first quarter. Our 78 percent increase in Distributable Cash Flow from the first quarter of last year is attributable to continued strong internal growth and acquisitions," stated Barry E. Davis, President and Chief Executive Officer. "We are also pleased that this allowed us to increase the Partnership distribution from the fourth quarter of 2003 by 6.7 percent, as announced last week, while maintaining strong coverage of 1.15 times the amount of the distribution."

Crosstex Energy, L.P. Financial Results

The Partnership reported net income of \$5.7 million for the first quarter of 2004, or \$0.24 per limited partner unit, compared to net income in the first quarter of 2003 of \$0.8 million, or \$0.06 per unit. The Partnership's Distributable Cash Flow for the quarter was \$9.6 million, or 2.09 times the amount required to cover its Minimum Quarterly Distribution of \$0.25 per unit, and 1.15 times the amount required to cover its recently increased distribution of \$0.40 per unit. Distributable Cash Flow was \$5.4 million in the 2003 first quarter. Distributable Cash Flow is a non-GAAP financial measure and is explained in greater detail under "Non-GAAP Financial Information." Also, in the tables at the end of this release is a reconciliation of this measure to net income.

The growth of Distributable Cash Flow was driven by growth in the Partnership's gross margin, to \$21.1 million compared to \$10.7 million in the corresponding 2003 period, an increase of 96 percent. Gross margin from the Midstream business segment increased by \$7.4 million, or 94 percent, to \$15.3 million, due to growth in on-system gathering and transmission volumes of 41 percent, and to growth in processed volumes of 68 percent. This growth was a balance of organic growth and acquisitions. The organic growth was comprised of significant increases in pipeline throughput at CCNG, Vanderbilt, and Arkoma, and significant processing volume growth from the Gregory plant expansion. Additional growth resulted from the acquisition of the Mississippi system and the Conroe plant from Duke Energy Field Services (DEFS) on June 30, 2003.

"A key to our growth strategy is the development of assets after acquisition. Our first quarter results clearly demonstrate that we are continuing to see strong improvements in the assets we've acquired in the last three years," commented Davis.

Gross margin from the Treating segment increased by \$2.9 million, or 103 percent, to \$5.8 million. The Treating segment's increase in 2004 over 2003 is attributable to the growth in the number of treating plants in service from 40 at the end of the first quarter of 2003 to 56 at the end of the first quarter of 2004. In addition, the Seminole plant acquired from DEFS is included in the Treating gross margin.

"Our Treating business has more than doubled in size over the last 18 months and we continue to see excellent growth opportunities in this niche business," said Davis.

Crosstex Energy, Inc. Financial Results

The Corporation reported net income of \$2.2 million for the first quarter of 2004, compared to \$31,000 for the respective period in 2003. The Corporation's annual income before income taxes and interest of non-controlling partners in the Partnership's net income was \$5.5 million in the first quarter of 2004 and \$0.3 million in the first quarter of 2003. The Corporation's share of distributions, including distributions to its ten million limited partner units, its two percent general partner interest, and the incentive distribution rights, is \$5.1 million for the first quarter (payable on May 14, 2004). Its share of the distribution in the first quarter of 2003 was \$2.6 million. The recently announced increase in the Partnership's distribution increased the Corporation's share of the distribution by \$0.7 million, from \$4.4 million to \$5.1 million.

2004 Outlook

The Partnership has adjusted its guidance on net income and Distributable Cash Flow in the attached table. The adjustments take into account the closing of the LIG acquisition on April 1. The Partnership now anticipates it will generate net income in 2004 of between \$24.0 million and \$25.0 million, and its estimate of Distributable Cash Flow for the year is in the range of \$37.0 million to \$40.0 million. At this level, the Partnership will cover the current \$0.40 quarterly distribution by between 1.11 and 1.20 times.

If the Partnership's \$0.40 quarterly distribution rate per unit is maintained for the entire year, the Corporation will receive cash distributions from the Partnership of \$20.5 million in 2004. It anticipates direct cash expenses associated with its operations outside of the Partnership of approximately \$1 million. The Corporation expects that it will incur no current year income tax expense due to tax loss carryforwards and other tax benefits it expects to use in 2004. Assuming the \$1.20 per share annual dividend rate is maintained for the entire year, and no additional issuances of shares, the total dividends for the year will be \$14.5 million.

Earnings Call

Crosstex will hold its quarterly conference call to discuss first quarter results tomorrow, May 5, at 10:00 am Central Time (11:00 am Eastern Time). The dial-in number for the call is 800-901-5241, passcode Crosstex. A live Webcast of the call can be accessed on the investor information page of Crosstex Energy's Web site at www.crosstexenergy.com. The call will be available for replay for 30 days by dialing 888-286-8010, passcode 36734310. A replay of the broadcast will also be available on the company's Web site.

About Crosstex

Crosstex Energy, L.P., a mid-stream natural gas company headquartered in Dallas, operates over 4,500 miles of pipeline, five processing plants, and over 50 natural gas amine treating plants. Crosstex currently provides services for over 1.5 BCF/day of natural gas.

Crosstex Energy, Inc. owns ten million limited partner units in the Partnership, the two percent general partner interest in the Partnership, and the Partnership's incentive distribution rights. Additional information about Crosstex can be found at www.crosstexenergy.com.

Non-GAAP Financial Information

This press release contains non-generally accepted accounting principle financial measures of earnings before non-cash charges and less maintenance capital expenditures, which we refer to as Distributable Cash Flow. The amounts included in the calculation of these measures are computed in accordance with generally accepted accounting principles (GAAP), with the exception of maintenance capital expenditures. Maintenance capital expenditures are capital expenditures made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of our assets and to extend their useful lives. We believe this measure is useful to investors because it may provide users of this financial information with meaningful comparisons between current results and prior reported results and a meaningful measure of the Partnership's cash flow after it has satisfied the capital and related requirements of its operations. Distributable Cash Flow is not a measure of financial performance or liquidity under GAAP. It should not be considered in isolation or as an indicator of the Partnership's performance. Furthermore, it should not be seen as a measure of liquidity or a substitute for metrics prepared in accordance with GAAP. Our reconciliation of this measure to net income is included in the following tables.

This press release contains forward-looking statements identified by the use of words such as "forecast," "anticipate" and "estimate". These statements are based on currently available information and assumptions and expectations that the Partnership and the Corporation believe are reasonable. However, the Partnership's and the Corporation's assumptions and expectations are subject to a wide range of business risks, so they can give no assurance that actual performance will fall within the forecast ranges. Among the key risks that may bear directly on the Partnership's and the Corporation's results of operation and financial condition are: (1) the amount of natural gas transported in the Partnership's gathering and transmission lines may decline as a result of competition for supplies, reserve declines and reduction in demand from key customers and markets; (2) the level of the Partnership's processing and treating operations may decline for similar reasons; (3) fluctuations in natural gas and NGL prices may occur due to weather and other natural and economic forces; (4) there may be a failure to successfully integrate new acquisitions; (5) the Partnership's credit risk management efforts may fail to adequately protect against customer nonpayment; and (6) the Partnership may not adequately address construction and operating risks. 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.

Selected Financial and Operating Data
(All amounts in thousands except per unit numbers)

	Three Months Ended March 31,	
	2004	2003
Revenues		
Midstream	\$318,214	\$245,315
Treating	7,144	5,255
	325,358	250,570
Cost of Gas		
Midstream	302,876	237,408
Treating	1,376	2,416
	304,252	239,824
Gross Margin	21,106	10,746
Operating Expenses	6,213	3,210
General and Administrative	3,592	1,500
Stock Based Compensation	209	2,504
(Profit) Loss on Energy Trading Activities	(421)	(107)
Loss on Sale of Property	296	--
Depreciation and Amortization	4,418	2,435
	14,307	9,542
Operating Income	6,799	1,204
Interest Expense	(1,156)	(410)
Other Income	92	38
Total Other Income (Expense)	(1,064)	(372)
Income Before Minority Interest	5,735	832
Minority Interest in Subsidiary	(29)	--
Net Income	\$5,706	\$832
General Partner Share of Net Income	\$1,048	\$17
Limited Partners Share of Net Income	\$4,658	\$815
Net Income per Limited Partners' Unit:		
Basic	\$0.26	\$0.06
Diluted	\$0.24	\$0.06
Weighted Average Limited Partners' Units		
Outstanding		
Basic	18,072	14,600
Diluted	19,090	14,680

CROSSTEX ENERGY. L.P.
Reconciliation of Net Income to Distributable Cash Flow
(All amounts in thousands except ratios)

	Three Months Ended March 31,	
	2004	2003
Net Income	\$5,706	\$832
Depreciation and Amortization (1)	4,380	2,435
Impairments	--	--
Stock Based Compensation	209	2,504
Loss on Sale of Property	296	--
Cash Flow	10,591	5,771
Maintenance Capital Expenditures	(944)	(344)
Distributable Cash Flow	\$9,647	\$5,427
Minimum Quarterly Distribution (MQD)	\$4,613	\$3,725
Distributable Cash Flow/MQD	2.09	1.46
Actual Distribution	\$8,353	\$3,725

Distribution Coverage 1.15 1.46

(1) Excludes minority interest share of depreciation and amortization of \$38,000 for the three months ended March 31, 2004.

CROSSTEX ENERGY, L.P.
Operating Data

(All volumes, except Seminole Plant, in MMBtu/d)

	Three Months Ended March 31,	
	2004	2003
Pipeline Throughput		
Gulf Coast Transmission	91,000	95,000
Vanderbilt	66,000	35,000
CCNG Transmission	259,000	211,000
Gregory Gathering	156,000	134,000
Mississippi	77,000	--
Arkoma	18,000	10,000
Other Midstream	35,000	14,000
Total Gathering and Transmission Volume	702,000	499,000
Natural Gas Processed		
Gregory Processing	132,000	94,000
Conroe Processing	26,000	--
Total Processed Volume	158,000	94,000
Total On-System Volumes	860,000	593,000
Producer Services Volumes	197,000	254,000
Treating Volumes (1)	84,000	88,000
Treating Plants in Service (2)	56	40
Seminole Plant (Mcf/d of CO2)	20,000	--

(1) Represent volumes for treating plants operated by us whereby we receive a fee based on the volumes treated.

(2) Plants in service represent plants in service on the last day of the quarter.

CROSSTEX ENERGY, L.P.

Forecast for 2004 Net Income
Reconciliation to Distributable Cash Flow
(In millions)

	Range	
	Low	High
Net Income	\$24.0	\$25.0
Depreciation and Amortization	22.0	23.0
Stock Based Compensation	1.0	1.0
Cash Flow	47.0	49.0
Maintenance Capital	(10.0)	(9.0)
Distributable Cash Flow	\$37.0	\$40.0

CROSSTEX ENERGY, INC.

Selected Financial and Operating Data
(All amounts in thousands except per unit numbers)

Three Months Ended
March 31,

	2004	2003
	-----	-----
Revenues		
Midstream	\$318,214	\$245,315
Treating	7,144	5,255
	-----	-----
	325,358	250,570
Cost of Gas		
Midstream	302,876	237,408
Treating	1,376	2,416
	-----	-----
	304,252	239,824
Gross Margin	21,106	10,746
Operating Expenses	6,225	3,234
General and Administrative	3,865	2,000
Stock Based Compensation	209	2,504
(Profit) Loss on Energy Trading Activities	(421)	(107)
Loss on Sale of Property	296	--
Depreciation and Amortization	4,418	2,510
	-----	-----
Total	14,592	10,141
Operating Income	6,514	605
Interest Expense	(1,117)	(338)
Other Income	92	38
	-----	-----
Total Other Income (Expense)	(1,025)	(300)
	-----	-----
Income Before Income Taxes and Interest of Non-controlling Partners in the Partnership's Net Income	5,489	305
Income Tax Provision	(1,182)	(17)
Interest of Non-controlling Partners in the Partnership's Net Income	(2,110)	(257)
	-----	-----
Net Income	\$2,197	\$31
	=====	=====
Preferred Stock Dividends	\$132	\$917
	=====	=====
Net Income (Loss) Available to Common	\$2,065	\$(886)
	=====	=====
Basic Earnings (Loss) per Common Share	\$0.19	\$(0.25)
	=====	=====
Diluted Earnings (Loss) per Common Share	\$0.19	\$(0.25)
	=====	=====
Weighted Average Shares Outstanding:		
Basic	10,946	3,486
Diluted	11,672	3,486

CONTACT: Crosstex Energy, Dallas
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or
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