

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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 * <u>WALES JAMES R</u> (Last) (First) (Middle) <u>C/O CROSSTEX ENERGY HOLDINGS INC</u> <u>2501 CEDAR SPRINGS STE 600</u> (Street) <u>DALLAS TX 75201</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>CROSSTEX ENERGY LP [XTEX]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) <u>Executive VP Midstream Div.</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>07/31/2003</u>	
	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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
<u>Common Units representing limited partnership interests</u>								<u>8,750⁽¹⁾</u>	<u>I</u>	<u>By Crosstex Energy Holdings Inc.⁽²⁾</u>

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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
<u>Subordinated units representing limited partnership interest</u>	<u>(3)</u>							<u>(4)</u>	<u>(4)</u>	<u>Common units representing limited partnership interests</u>		<u>122,627</u>	<u>122,627⁽⁴⁾</u>	<u>I</u>	<u>By Crosstex Energy Holdings Inc.⁽²⁾</u>
<u>Restricted Units representing partnership interest</u>	<u>\$37.1</u>	<u>07/31/2003</u>		<u>A</u>		<u>7,000</u>		<u>(5)</u>	<u>(5)</u>	<u>Common units representing limited partnership interests</u>	<u>\$37.1</u>	<u>7,000</u>	<u>7,000</u>	<u>D</u>	
<u>Employee Stock option with (right to buy)</u>	<u>\$20</u>	<u>12/17/2002</u>		<u>A</u>		<u>20,000</u>		<u>(6)</u>	<u>(6)</u>	<u>Common units representing limited partnership interests</u>	<u>\$20</u>	<u>20,000</u>	<u>20,000</u>	<u>D</u>	

Explanation of Responses:

- The common units representing limited partnership interests and subordinated units representing limited partnership interests were issued to Crosstex Energy Holdings Inc. upon the closing of the Issuer's initial public offering December 17, 2002.
- James R. Wales is the Executive Vice President--Midstream Division of Crosstex Energy GP, LLC, the general partner of Crosstex Energy, L.P., which is the general partner of the Issuer. Mr. Wales beneficially owns securities in Crosstex Energy Holdings Inc., representing approximately 2.63% of the voting power thereof. Crosstex Energy Holdings Inc., directly and indirectly, owns the general partner of the Issuer, which owns a 2% general partner interest in the Issuer. In addition, Crosstex Energy Holdings Inc. owns 333,000 of the Issuer's common units representing limited partner interests and 4,667,000 of the Issuer's subordinated units representing limited partnership interests. As a result, James R. Wales may be deemed to be the beneficial owner of a portion of the common units and subordinated units owned by Crosstex Energy Holdings Inc.
- These securities convert on a 1 for 1 basis.
- The subordination period will end once the financial tests are met in the Issuer's partnership agreement. When the subordination period ends, each remaining subordinated unit will convert into one common unit.
- 25% of these units will vest on each of the third and fourth anniversary of July 31, 2003, and the remaining 50% will vest on the fifth anniversary of July 31, 2003.
- This option vests in three equal installments on December 17, 2003, 2004, and 2005.

/s/ James R. Wales 07/31/2003
 ** 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.