

CROSSTEX ENERGY LP

Reported by
WALES JAMES R

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 08/04/03 for the Period Ending 07/31/03

CIK 0001179060
Symbol XTEX
SIC Code 5172 - Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals
Industry Oil Well Services & Equipment
Sector Energy
Fiscal Year 12/31

CROSSTEX ENERGY LP

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 8/4/2003 For Period Ending 7/31/2003

CIK	0001179060
Industry	Natural Gas Utilities
Sector	Utilities
Fiscal Year	12/31

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

1. Name and Address of Reporting Person *	2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
WALES JAMES R	CROSSTEX ENERGY LP [XTEX]	<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> X Officer (give title below) <input type="checkbox"/> Other (specify below) Executive VP Midstream Div.
(Last) (First) (Middle) C/O CROSSTEX ENERGY HOLDINGS INC, 2501 CEDAR SPRINGS STE 600	3. Date of Earliest Transaction (MM/DD/YYYY) 7/31/2003	
(Street) DALLAS, TX 75201 (City) (State) (Zip)	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> X Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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			
Common Units representing limited partnership interests								8750 ⁽¹⁾	I	By Crosstex Energy Holdings Inc. ⁽²⁾

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Subordinated units representing limited partnership interest	(3)							(4)	(4)	Common units representing limited partnership interests	122627		122627 (4)	I	By Crosstex Energy Holdings Inc. (2)
Restricted Units representing partnership interest	\$37.10	7/31/2003		A		7000		(5)	(5)	Common units representing limited partnership interests	7000	\$37.10	7000	D	
Employee Stock option with (right to buy)	\$20.0	12/17/2002		A		20000		(6)	(6)	Common units representing limited partnership interests	20000	\$20.0	20000	D	

Explanation of Responses:

- (1) 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.
- (2) 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.
- (3) These securities convert on a 1 for 1 basis.
- (4) 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.
- (5) 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.
- (6) This option vests in three equal installments on December 17, 2003, 2004, and 2005.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALES JAMES R C/O CROSSTEX ENERGY HOLDINGS INC 2501 CEDAR SPRINGS STE 600 DALLAS, TX 75201			Executive VP Midstream Div.	

Signatures

**/s/ James R.
Wales**

7/31/2003

*** 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.

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