

**CROSSTEX ENERGY GP, LLC
CONFLICTS COMMITTEE CHARTER**

ADOPTED MAY 8, 2006

Purpose

The Conflicts Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Crosstex Energy GP, LLC (the "Company") to carry out the duties as set forth in the Agreement of Limited Partnership of Crosstex Energy, L.P. (the "Partnership"), as amended from time to time (the "LP Agreement"), and in the Omnibus Agreement (the "Omnibus Agreement") between Crosstex Energy, Inc., the Company, Crosstex Energy GP, L.P. (the "General Partner"), Crosstex Energy Services, L.P. (the "Operating Partnership") and the Partnership, as well as other duties delegated by the Board that relate to conflicts of interests between the Company and its Affiliates, on the one hand and the Partnership, the Operating Partnership any other Group Member, any Partner or any Assignee, on the other hand. The Committee shall also advise the Board on actions to be taken by the Company and the Partnership or matters related to the Company and the Partnership upon request of the Board.

Committee Membership

The Committee shall be composed solely of independent directors who are not (a) security holders, officers or employees of the Company or an Affiliate of the Company, (b) officers, directors or employees of any Affiliate of the Company, or (c) holders of any ownership interest in the Partnership Group other than the common units of the Partnership and who also meet the independence standards required of directors who serve on an audit committee of a board of directors by The NASDAQ Stock Market, Inc. and any applicable laws and regulations.

The members of the Committee shall be appointed by the Board on the recommendation of the independent directors thereon. Committee members may be replaced by the Board.

Certain Definitions

Capitalized terms not otherwise defined herein are defined as follows:

- "Affiliate," "Assignee," "Group Member," "Partners," "Partnership Group," "Partnership Security" and "Person" shall have the meaning as set forth in the LP Agreement; and
- "Offer," "Crosstex Energy Entities" and "Restricted Business" shall have the meaning as set forth in the Omnibus Agreement.

Committee Authority and Responsibilities

The Committee shall act on an informed basis, in good faith, and in the honest belief that any action taken by the Committee is in the best interests of the Partnership. In the Committee's determination of what is "fair and reasonable" to the Partnership and in connection with the Committee's resolution of any conflict of interest, the Committee is authorized to consider (A)

the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (B) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (C) any applicable generally accepted accounting practices or principles; and (D) such additional factors as the Committee determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. With respect to any contribution of assets by the General Partner and/or any of its Affiliates to the Partnership in exchange for Partnership Securities, the Committee, in determining whether the appropriate number of Partnership Securities are being issued, may take into account, among other things, the fair market value of the assets, the liquidated and contingent liabilities assumed, the tax basis in the assets, the extent to which tax-only allocations to the transferor will protect the existing partners of the Partnership against a low tax basis, and such other factors as the Committee deems relevant under the circumstances.

The Committee's specific responsibilities are as follows:

1. The Board may seek the Committee's approval of any agreement to be entered into pursuant to Section 7.6(c) of the LP Agreement; the terms of any such agreement are to be fair and reasonable to the Partnership.
2. The Board may seek the Committee's approval of any sale, transfer or conveyance of any property to, or the purchase of any property from the Partnership, directly or indirectly, pursuant to Section 7.6(e) of the LP Agreement; the terms of any such sale, transfer or conveyance are to be fair and reasonable to the Partnership.
3. If the Company has been requested to register Partnership Securities pursuant to Section 7.12(a) of the LP Agreement, the Committee shall determine in its good faith judgment if it would be in the best interests of the Partnership and its Partners for such registration to be postponed for up to six months due to a pending transaction, investigation or other event.
4. The Board may seek approval, pursuant to Section 7.9 of the LP Agreement, of any resolution of a conflict of interest between the Company or any of its Affiliates, on the one hand, and the Partnership, the Operating Partnership, any other Group Member, any Partner or any Assignee, on the other hand.
5. If the Board has elected not to pursue an opportunity to purchase or invest in a Restricted Business as described in Section 2.2(b) of the Omnibus Agreement, the Committee shall determine whether it approves of the Board's election not to pursue such opportunity or acquisition.
6. If the Board has elected not to cause a Group Member to purchase the assets that comprise the Restricted Business as described in Section 2.2(c) of the Omnibus Agreement, the Committee shall determine if it approves of the Board's election not to pursue such opportunity or acquisition.
7. If the Company has determined that it should exercise its right to cause a Group Member to purchase the Restricted Business as described in Section 2.2(c) pursuant to an offer as modified by the determination of an investment banking firm in accordance with Section

- 2.3(b)(iv) of the Omnibus Agreement, the Committee shall determine if it approves of the Company's determination that the Company should exercise such right.
8. If the Omnibus Agreement is to be amended or modified, the Committee must determine if it approves of the amendment or modification.
 9. The Committee may form and delegate authority to subcommittees when appropriate.
 10. The Committee shall report to the Board its decisions and determinations.
 11. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
 12. The Committee shall annually review its own performance.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage its own special legal counsel and other experts or consultants as it deems necessary or appropriate to assist in the full performance of its functions. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of any costs incurred by the Committee. The Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.