



CROSSTEX
ENERGY SERVICES

August 15, 2012

State of Louisiana
Department of Natural Resources
Office of Conservation
Injection and Mining Division
P.O. Box 94275
Baton Rouge, LA 70804-9275
Attention: Mr. Joseph S. Ball, Jr. and Mr. Brent Campbell

**RE: Crosstex Energy Services, L.P. – Napoleonville Storage Dome
Belle Rose, Assumption Parish, Louisiana
Operator Code: C-339**

Dear Mr. Ball and Mr. Campbell,

Crosstex Energy Services, L.P. has natural gas liquids storage facilities in the Bayou Corne area in Assumption Parish. There has been no impact on these facilities or our operation of these facilities due to the slurry-filled sinkhole in the area.

As always, our highest priority is to ensure the safety of our operations. Accordingly, Crosstex employs numerous safety measures, including:

1. Crosstex's well-trained technical personnel man our facilities 24 hours a day, 7 days a week. They perform hourly visual checks at each facility.
2. Crosstex's mechanical integrity program tests all of the piping at these facilities and this test was recently performed in June 2012.
3. Crosstex performs yearly subsidence and horizontal position surveys.
4. The well pressures at the facilities are constantly monitored by the PLC (Programmable Logic Control) system in the control room.

In addition, upon formation of the slurry-filled sinkhole, Crosstex immediately took additional actions to ensure the integrity and safe operation of its storage facilities and to closely monitor the situation on an ongoing basis, including:

1. We engaged a subsurface consultant to assist us with the ongoing evaluation of our facilities' integrity.
2. Crosstex is now conducting subsidence and horizontal position surveys every 7-10 days to test the facilities' status.
3. Crosstex is continuing to perform the safety measures stated above.

Based on these findings to date, we believe our facilities have not been impacted by the slurry-filled sinkhole, and there has been no indication their integrity has been compromised. We continue to safely move natural gas liquids products in and out of our storage facilities to serve our customers.

Also, reports indicate the slurry is moving west, away from our facilities, which are located east of the slurry.

We will continue to monitor our operations and provide additional information as it becomes available. Please contact me if you have questions or require additional information.

Sincerely,



Aaron Wimberly
Plant Superintendent