

Blueknight Energy Partners, L.P.
Form SC 13D/A
April 29, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 5)***

BLUEKNIGHT ENERGY PARTNERS, L.P.

(Name of Issuer)

Common Units

(Title of Class of Securities)

09625U109

(CUSIP Number)

Janice V. Sharry, Esq.

Haynes and Boone, LLP

2323 Victory Avenue, Suite 700

Dallas, Texas 75219-7673

(214) 651-5562

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

April 28, 2011

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 09625U109

NAMES OF REPORTING PERSONS

1

MSD Capital, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

AF

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

SOLE VOTING POWER

7

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 8

3,576,944

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 0

WITH SHARED DISPOSITIVE POWER

10

3,576,944

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,576,944

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

16.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 09625U109

NAMES OF REPORTING PERSONS

1

MSD Torchlight, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

WC

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

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CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

SOLE VOTING POWER

7

NUMBER OF 0

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16.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 09625U109

NAMES OF REPORTING PERSONS

1

Michael S. Dell

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

- (a)
- (b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE INSTRUCTIONS)

4

AF

CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

7

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY 8

OWNED BY 3,576,944

SOLE DISPOSITIVE POWER

EACH REPORTING 9

PERSON 0

WITH SHARED DISPOSITIVE POWER

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o

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16.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

This Amendment No. 5 (this Amendment) reflects changes to the information in the Schedule 13D relating to the Common Units of the Partnership filed December 16, 2010 by the Reporting Persons with the Securities and Exchange Commission (the Commission), as amended and/or supplemented by Amendment No. 1 to the Schedule 13D filed December 23, 2010 by the Reporting Persons with the Commission, Amendment No. 2 to the Schedule 13D filed January 24, 2011 by the Reporting Persons with the Commission, Amendment No. 3 to the Schedule 13D filed March 2, 2011 by the Reporting Persons with the Commission, and Amendment No. 4 to the Schedule 13D filed March 21, 2011 by the Reporting Persons with the Commission (as amended, the Schedule 13D). Each capitalized term used and not otherwise defined in this Amendment shall have the meaning assigned to such term in the Schedule 13D. Except as otherwise provided herein, each item of the Schedule 13D remains unchanged.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby supplemented as follows:

As described in Item 6 below, on April 28, 2011, MSD Torchlight entered into a Non-Disclosure Agreement (the Second Non-Disclosure Agreement) with the Partnership and the General Partner, pursuant to which MSD Torchlight agreed, among other things, to maintain the confidentiality of certain non-public information relating to the Partnership, the General Partner and their respective affiliates, including, among other things, information regarding the refinancing and recapitalization of the Partnership disclosed, discussed or otherwise made available to MSD Torchlight by the Partnership, the General Partner and their respective affiliates at a meeting that was held on April 29, 2011 (the Third Refinancing Meeting). A summary of the Second Non-Disclosure Agreement is set forth in Item 6 below and incorporated by reference herein.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of the Schedule 13D is hereby amended and/or supplemented as follows:

On April 28, 2011, MSD Torchlight entered into the Second Non-Disclosure Agreement with the Partnership and the General Partner. Pursuant to the Second Non-Disclosure Agreement, MSD Torchlight agreed to maintain the confidentiality of certain non-public information relating to the Partnership, the General Partner and their respective affiliates, including, among other things, information regarding the refinancing and recapitalization of the Partnership disclosed, discussed or otherwise made available to MSD Torchlight by the Partnership, the General Partner and their respective affiliates at the Third Refinancing Meeting.

For the period beginning on April 28, 2011 and ending on (and including) May 12, 2011, (a) MSD Torchlight agreed that it and its controlled affiliates will not, directly or indirectly, effect any sale or acquisition of any equity securities or acquisition of assets of the Partnership or any of its affiliates; and (b) the Partnership and the General Partner agreed that the Partnership will not file a proxy statement with the Commission relating to the Unitholder Meeting (as defined in the GTA).

A copy of the Second Non-Disclosure Agreement is filed as Exhibit 99.9 hereto and incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The following exhibits are filed as exhibits hereto:

Exhibit	Description of Exhibit
24.1	Power of Attorney (incorporated herein by reference to Exhibit 24.1 to the Schedule 13G relating to the common units of Atlas Energy, L.P. filed February 22, 2011 by MSD Capital, MSD Energy Investments, L.P. and Michael S. Dell with the Commission)
99.2	Letter to Blueknight Energy Partners G.P., L.L.C., dated December 16, 2010 (incorporated herein by reference to Exhibit 99.2 to the Schedule 13D relating to the Common Units of the Partnership filed December 16, 2010 by the Reporting Persons with the Commission)
99.3	Letter to MSD Capital, dated December 21, 2010 (incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K filed December 21, 2010 by the Partnership with the Commission)
99.4	Letter to Blueknight Energy Partners G.P., L.L.C., dated December 23, 2010 (incorporated herein by reference to Exhibit 99.4 to Amendment No. 1 to the Schedule 13D relating to the Common Units of the Partnership filed December 23, 2010 by the Reporting Persons with the Commission)
99.5	Letter to Blueknight Energy Partners G.P., L.L.C. and CB-Blueknight, LLC, dated January 24, 2011 (incorporated herein by reference to Exhibit 99.5 to Amendment No. 2 to the Schedule 13D relating to the Common Units of the Partnership filed January 24, 2011 by the Reporting Persons with the Commission)
99.6	Joint Filing Agreement (incorporated herein by reference to Exhibit 99.6 to Amendment No. 3 to the Schedule 13D relating to the Common Units of the Partnership filed March 2, 2011 by the Reporting Persons with the Commission)
99.7	Non-Disclosure Agreement, dated March 1, 2011 (incorporated herein by reference to Exhibit 99.7 to Amendment No. 3 to the Schedule 13D relating to the Common Units of the Partnership filed March 2, 2011 by the Reporting Persons with the Commission)
99.8	Amendment to Non-Disclosure Agreement, dated March 18, 2011 (incorporated herein by reference to Exhibit 99.8 to Amendment No. 4 to the Schedule 13D relating to the Common Units of the Partnership filed March 21, 2011 by the Reporting Persons with the Commission)
99.9	Non-Disclosure Agreement, dated April 28, 2011 (furnished herewith)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 29, 2011

MSD CAPITAL, L.P.

By: MSD Capital Management LLC
Its: General Partner

By: /s/ Marc R. Lisker
Name: Marc R. Lisker
Title: Manager and General Counsel

MSD TORCHLIGHT, L.P.

By: MSD Capital, L.P.
Its: General Partner

By: MSD Capital Management LLC
Its: General Partner

By: /s/ Marc R. Lisker
Name: Marc R. Lisker
Title: Manager and General Counsel

MICHAEL S. DELL

By: /s/ Marc R. Lisker
Name: Marc R. Lisker
Title: Attorney-in-Fact

EXHIBIT INDEX

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