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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 10, 2008

NUSTAR ENERGY L.P.

(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction
Of incorporation

1-16417
(Commission File Number)

74-2956831
(IRS Employer
Identification No.)

2330 N. Loop 1604 West
San Antonio, Texas
(Address of principal executive offices)

78248
(Zip Code)

Registrant's telephone number, including area code: (210) 918-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Non-employee Directors

In accordance with compensation arrangements described in NuStar Energy L.P.'s Annual Report on Form 10-K for the year ended December 31, 2007 and its Current Report on Form 8-K filed July 31, 2008, effective on November 6, 2008, each non-employee director on the Board of Directors of NuStar GP, LLC (the "Company"), the general partner of the general partner of NuStar Energy L.P., is granted restricted units of NuStar Energy L.P. ("Restricted Units") with an aggregate value of \$50,000 (calculated using the closing price of NuStar Energy L.P.'s common units on the New York Stock Exchange on the effective date). The Restricted Units were granted pursuant to the Company's Second Amended and Restated 2000 Long-Term Incentive Plan (the "Plan"). The Restricted Units vest in annual one-third increments beginning on the first anniversary of the grant date.

Named Executive Officers

Upon recommendation from its Compensation Committee, the board of directors (the "Board") of the Company, approved certain long-term incentive awards for its executive officers and certain key employees, effective November 6, 2008.

Restricted units. Effective November 6, 2008, restricted units of NuStar Energy L.P. were issued to executives of the Company in the quantities listed below. The Restricted Units were granted pursuant to the Plan. The Restricted Units will vest in annual one-fifth increments beginning on the first anniversary of the grant date. The Restricted Units are subject to forfeiture prior to vesting per the terms of the Plan.

<u>Executive</u>	<u>Restricted Units</u>
Curtis V. Anastasio, Chief Executive Officer	8,500
Bradley C. Barron, Senior Vice President, General Counsel and Secretary	2,600
Steven A. Blank, Senior Vice President, Chief Financial Officer and Treasurer	3,300
James R. Bluntzer, Senior Vice President – Operations	2,900
Mary F. Morgan, Senior Vice President – European Operations	2,900
Thomas R. Shoaf, Vice President and Controller	1,300

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 10.01 NuStar GP, LLC 2000 Second Amended and Restated Long-Term Incentive Plan- incorporated by reference to Exhibit 10.01 to NuStar Energy L.P.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.

- *10.02 Form of 2008 Non-employee Director Restricted Unit Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.
- *10.03 Form of 2008 Restricted Unit Award Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NuStar Energy L.P.

By: Riverwalk Logistics, L.P.
its general partner

By: NuStar GP, LLC
its general partner

Date: November 10, 2008

By: /s/Amy L. Perry
Name: Amy L. Perry
Title: Assistant Secretary

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
10.01	NuStar GP, LLC 2000 Second Amended and Restated Long-Term Incentive Plan- incorporated by reference to Exhibit 10.01 to NuStar Energy L.P.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.
*10.02	Form of 2008 Non-employee Director Restricted Unit Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.
*10.03	Form of 2008 Restricted Unit Award Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.

* Filed herewith

**Non-Employee Director
AWARD AGREEMENT**

This Restricted Unit and distribution equivalent right award agreement (“Agreement”), effective as of the date set forth at the end of this Agreement (“Grant Date”), is between NuStar GP, LLC (the “Company”) and **[insert name]** (“Participant”), a participant in the **NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan**, as amended (the “Plan”). All capitalized terms contained in this Award shall have the same definitions as are set forth in the Plan unless otherwise defined herein. The terms of this grant are set forth below.

1. The Compensation Committee of the Board of Directors of the Company hereby grants to Participant **[insert #]** Restricted Units under the Plan. A “Restricted Unit” is a phantom unit that is equivalent in value to a common unit (“MLP Common Unit”) of NuStar Energy L.P. (the “MLP”). In addition, a Restricted Unit represents the right to receive, upon vesting as provided below, an MLP Common Unit. Restricted Units are granted hereunder in tandem with an equal number of distribution equivalent rights (“DERs”). A DER is a right to receive an amount in cash from the Company or its designee equal to the distributions made by MLP with respect to an MLP Common Unit during the period that ends upon vesting of the tandem Restricted Unit or its forfeiture pursuant to Section 6.2 (ii) of the Plan.
2. The Restricted Units granted hereunder are subject to the following Restricted Periods, and will vest and accrue to Participant in the following increments: **[insert 1/3 #]** Units on **[insert 1st anniversary of grant date]**; **[insert 1/3 #]** Units on **[insert 2nd anniversary of grant date]**; and **[insert 1/3 #]** Units on **[insert 3rd anniversary of grant date]**. The Restricted Units may vest prior to the expiration of such period as set forth in the Plan. Upon vesting, for each Restricted Unit granted hereunder, the Participant will be entitled to receive an unrestricted Common Unit of NuStar Energy L.P.
3. Participant agrees that the unrestricted common Units to which Participant will be entitled in connection with the vesting of each Restricted Unit may be issued in uncertificated form pursuant to the Direct Registration Service of the MLP’s transfer agent.
4. DERs with respect to the Restricted Units will be paid to Participant in cash as of each record payment date during the period such Restricted Units are outstanding. DERs are subject to the same restrictions as the Restricted Units.
5. The Company will withhold any taxes due from Participant’s grant as required by law, which, in the sole discretion of the Compensation Committee, may include withholding a number of Restricted Units otherwise payable to Participant.
6. By accepting this Award, Participant hereby accepts and agrees to be bound by all of the terms, provisions, conditions, and limitations of the Plan and any subsequent amendment or amendments thereto, as if it had been set forth verbatim in this Award.
7. This Award shall be binding upon the parties hereto and their respective heirs, legal representatives, and successors.
8. This Award is effective as of **[insert grant date]**.
9. The issuance of Units under this Award shall be made on or as soon as reasonably practical following the applicable date of vesting, but in any event no later than the 15th day of the third month following the end of the year in which the applicable date of vesting occurs. With respect to the receipt of distributions, the payment of distributions shall be made by the last day of the fiscal quarter during which distributions on the Company’s Units are paid, but in any event by no later than the 15th day of the month following the end of the year in which the applicable distributions on the Company’s Units are paid. This Agreement and the Award evidenced hereby are intended to comply, and shall be administered consistently in all respects with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. If necessary in order to ensure such compliance, this Agreement may be reformed consistent with guidance issued by the Internal Revenue Service.
10. The validity, construction and effect of this Agreement shall be determined by the laws of the State of Texas.
11. Neither Participant nor any person claiming by, through or under Participant with respect to the Restricted Units shall have any rights as a unitholder of NuStar Energy L.P. (including, without limitation, voting rights).

12. The Agreement and Participant's interest in the Restricted Units granted by this Agreement are of a personal nature, and, except as expressly provided in the Agreement or the Plan, Participant's rights with respect thereto may not be sold, mortgaged, pledged, assigned, transferred, conveyed or disposed of in any manner by Participant. Any such attempted sale, mortgage, pledge, assignment, transfer, conveyance or disposition shall be void, and the Company shall not be bound thereby.

NUSTAR GP, LLC

By: _____

Name: _____

Title: _____

Accepted:

[insert name]

Date: _____

RESTRICTED UNIT AWARD AGREEMENT

This Restricted Unit award agreement (“Agreement”), effective as of the date set forth at the end of this Agreement (“Grant Date”), is between NuStar GP, LLC (the “Company”) and «First_Name» «Middle_Name» «Last_Name» (“Participant”), a participant in the **NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan** (the “Plan”). All capitalized terms contained in this Award shall have the same definitions as are set forth in the Plan unless otherwise defined herein. The terms of this grant are set forth below.

1. Participant is awarded «Units_Granted» Restricted Units under the Plan. Restricted Units are granted hereunder in tandem with an equal number of Distribution Equivalent Rights (“DERs”).
2. The Restricted Units granted hereunder are subject to the following Restricted Periods, and will vest and accrue to Participant in the following increments: «Units_Period_1» Units on «Vest_Date_Period_1»; «Units_Period_2» Units on «Vest_Date_Period_2»; «Units_Period_3» Units on «Vest_Date_Period_3»; «Units_Period_4» Units on «Vest_Date_Period_4»; and «Units_Period_5» Units on «Vest_Date_Period_5». The Restricted Units may vest prior to the expiration of such period as set forth in the Plan. Upon the vesting of each Restricted Unit awarded under this Agreement, Participant will be entitled to receive an unrestricted common Unit of NuStar Energy L.P.
3. Participant agrees that the unrestricted common Units to which Participant will be entitled in connection with the vesting of each Restricted Unit may be issued in uncertificated form pursuant to the Direct Registration Service of NuStar Energy L.P.’s transfer agent.
4. DERs with respect to the Restricted Units will be paid to Participant in cash as of each record payment date during the period such Restricted Units are outstanding. DERs are subject to the same restrictions as the Restricted Units.
5. In compliance with Section 409A of the Internal Revenue Code, the issuance of Units under this Award shall be made on or as soon as reasonably practical following the applicable date of vesting, but in any event no later than the 15th day of the third month following the end of the year in which the applicable date of vesting occurs. With respect to the DERs, the cash payment made in accordance therewith shall be made by the last day of the fiscal quarter during which cash distributions are made by the Partnership, but in any event by no later than the 15th day of the third month following the end of the year in which the applicable cash distributions are made by the Partnership. This Agreement and the award evidenced hereby are intended to comply, and shall be administered consistently, in all respects with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder. If necessary in order to ensure such compliance, this Agreement may be reformed consistent with guidance issued by the Internal Revenue Service.
6. If Participant’s employment is terminated because of retirement, death or disability, any Restricted Units held by such Participant which remain unvested as of the date of retirement, death or disability shall immediately vest and become non-forfeitable as of such date.
7. The Company will withhold any taxes due from Participant’s grant as required by law, which, in the sole discretion of the Compensation Committee, may include withholding a number of Restricted Units otherwise payable to Participant.
8. By accepting this Award, Participant hereby accepts and agrees to be bound by all of the terms, provisions, conditions, and limitations of the Plan, and any subsequent amendment or amendments thereto, as if it had been set forth verbatim in this Award.
9. This Award shall be binding upon the parties hereto and their respective heirs, legal representatives, and successors.
10. This Award is effective as of «Grant_Date».
11. The validity, construction, and effect of this Agreement shall be determined by the laws of the State of Texas.
12. Neither Participant nor any person claiming by, through or under Participant with respect to the Restricted Units shall have any rights as a unitholder of NuStar Energy L.P. (including, without limitation, voting rights).
13. The Agreement and Participant’s interest in the Restricted Units granted by this Agreement are of a personal nature, and, except as expressly provided in the Agreement or the Plan, Participant’s rights with respect thereto may not be sold, mortgaged, pledged, assigned, transferred, conveyed or disposed of in any manner by Participant. Any such attempted sale, mortgage, pledge, assignment, transfer, conveyance or disposition shall be void, and the Company shall not be bound thereby.

NUSTAR GP, LLC

By: _____

Name: _____

Title: _____

Accepted:

«First_Name» «Middle_Name» «Last_Name»
«Grant_Date»