
**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): January 27, 2010

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:

- ☐ 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

On January 27, 2010, the Committee approved an amendment to the agreements for awards of performance units for each of NuStar GP, LLC's (the "Company") named executive officers pursuant to the terms of the Company's 2000 Amended and Restated Long-Term Incentive Plan (the "LTIP"). The agreements were described in Current Reports on Form 8-K filed January 27, 2006, January 31, 2007, January 28, 2008 and January 26, 2009, and December 8, 2009, which are each hereby incorporated by reference.

As previously reported, the performance units are payable in NuStar Energy L.P.'s common units (the "Common Units"). The performance units vest annually in one-third increments beginning on the first anniversary of their grant date. Upon vesting, the performance units are converted into a number of Common Units based upon NuStar Energy L.P.'s total unitholder return during rolling three-year periods that end on December 31 of each year following the date of grant. At the end of each performance period, NuStar Energy L.P.'s total unitholder return is compared to its peer group and is ranked by quartile. Holders of the performance units then earn 0 percent, 50 percent, 100 percent or 150 percent of that portion of the initial grant that is vesting, depending upon whether NuStar Energy L.P.'s total unitholder return is in the last, third, second or first quartile, respectively; holders earn 200 percent if NuStar Energy L.P. is the highest ranking entity in the peer group.

The agreements provide that any performance units not awarded as Units as a result of a ranking in the 3rd or 4th Quartile will carry forward for one more Performance Period; up to 100% of the Performance Units carried forward may be awarded based on NuStar Energy L.P.'s performance during the next Performance Period. The amendment provides that the performance units granted in the agreements that were carried over to the 2009 Performance Period and did not vest for that Performance Period will carry forward for one additional Performance Period, resulting in a two-year carry forward for those performance units only.

Note: The form of amendment filed as an exhibit to this Current Report, together with the LTIP and the disclosures stated above, contain the material terms and conditions for participation in the compensation arrangements described in this Item. In reliance on Instruction 1 to Item 601(b)(10) of Regulation S-K, the Company is not filing each individual's personal arrangement under the plans.

Item 9.01. Financial Statements and Exhibits

- 10.1 NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.01 to the Company's Quarterly Report on Form 10-Q filed August 9, 2007.
- 10.2 Form of Amended and Restated Performance Unit Agreement, incorporated by reference to Exhibit 10.01 to the Company's Current Report on Form 8-K filed December 8, 2009.
- 10.3 Form of Omnibus Amendment to Amended and Restated Performance Unit Agreements.

SIGNATURES

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: February 2, 2010

By: _____ /s/ AMY L. PERRY
Name: Amy L. Perry
Title: Corporate Secretary

OMNIBUS AMENDMENT
to
Amended and Restated Performance Unit Agreements

WHEREAS, NuStar GP, LLC, a Delaware limited liability company (the “**Company**”), and (the “**Participant**”) have entered into the Amended and Restated Performance Unit Agreements (the “**Agreements**”), effective **December 31, 2009**, for each of Participant’s prior Performance Unit Agreements for grants of Performance Units to Participant in the years [2006, 2007, 2008 and 2009];

WHEREAS, the grants in the Agreements are made pursuant to and subject to the provisions of the Company’s **Second Amended and Restated 2000 Long-Term Incentive Plan** (as may be amended, the “**Plan**”);

WHEREAS, the Agreements currently provide that performance units eligible to vest as Units in a year that do not vest as Units in such performance year will be carried forward for one additional year (“**One-Year Carryforward**”);

WHEREAS, the parties wish to amend the Agreements to provide that the performance units subject to the One-Year Carryforward for potential vesting for 2009 performance will not be forfeited due to non-vesting in the carry-forward year, as provided in the Agreements, but will instead be carried forward for one additional year (“**Two-Year Carryforward**”).

Effective [insert date], 2010, the parties hereto wish to amend the Agreements as follows:

1. **Agreements:** The parties have previously entered into the following Agreements:

Original Grant Date	# of Performance Units subject One-Year Carryforward to 2009 Performance Period

2. **Two-Year Carryforward.** Those Performance Units listed above in the table in Section 1 will not be forfeited as provided in the Agreements but will instead be carried forward for one additional year and will be eligible for vesting as Units with respect to the performance of NuStar Energy L.P. in the 2010 performance period, as otherwise provided in the Agreements.
3. **Definitions; Conflicts.** Capitalized terms not otherwise defined in this Omnibus Amendment shall have the meaning specified in the Agreements or the Plan. In the event of a conflict between the Omnibus Amendment, the Agreements and the Plan, the Omnibus Amendment will supercede the Agreements and the Plan, and the Agreements will supercede the Plan.
4. **Counterparts.** This Omnibus Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of this Omnibus Amendment by facsimile transmission or via electronic signature shall be effective as delivery of a manually executed counterpart hereof.

5. **Ratification and Affirmation.** The Company and Participant each hereby (a) acknowledges the terms of this Omnibus Amendment; and (b) ratifies and affirms its obligations under each Agreement and agrees that each Agreement to which it is a party remains in full force and effect, except as expressly amended hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Omnibus Amendment to be duly executed as of the date first written above.

NUSTAR GP, LLC

By: _____
Curtis V. Anastasio
President and Chief Executive Officer

_____, Participant