
**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 26, 2012

NuStar Energy L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-16417
(Commission
File Number)

74-2956831
(I.R.S. Employer
Identification No.)

**2330 North Loop 1604 West
San Antonio, Texas 78248**
(Address of principal executive offices)

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

Not applicable
(Former name or former address, if changed since last report.)

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 26, 2012, the Compensation Committee (the “Committee”) of the board of directors (the “Board”) of NuStar GP, LLC (the “Company”), the general partner of the general partner of NuStar Energy L.P., approved a grant of restricted units (the “Grants”) for the Company’s principal executive officer, principal financial officer and each of its named executive officers (the “NEOs”) pursuant to the terms of the Company’s Third Amended and Restated 2000 Amended and Restated Long-Term Incentive Plan (the “LTIP”). The Grants will vest over three years with one-third vesting each year, beginning on the first anniversary of the date of grant.

Name	Title	Restricted Units
Curtis V. Anastasio	President and Chief Executive Officer	5,337
Steven A. Blank	Senior Vice President, Chief Financial Officer and Treasurer	2,240
James R. Bluntzer	Senior Vice President – Operations	2,025
Paul R. Brattlof	Senior Vice President – Trading and Supply	1,786
Mary Rose Brown	Senior Vice President – Administration	2,025

As previously reported, the Company and each of the NEOs have entered into agreements for the award of performance units pursuant to the LTIP (the “Performance Unit Agreements”). The Performance Unit Agreements, as amended, were described previously in Current Reports on Form 8-K filed January 26, 2009, December 8, 2009, February 2, 2010, March 2, 2010 and February 2, 2011, which are hereby incorporated by reference. Concurrently with the Grants, each of the NEOs waived his or her rights under the Performance Unit Agreements to receive any units that would have carried forward into subsequent years as a result of their failure to vest in 2012. The form of waiver is attached as Exhibit 10.3.

Note: The form of waiver and restricted unit agreement filed as exhibits 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.

(d) Exhibits.

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|------|---|
| 10.1 | NuStar GP, LLC Third Amended and Restated 2000 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.01 to the Company’s Current Report on Form 8-K filed May 10, 2011. |
| 10.2 | Form of Restricted Unit Agreement. |
| 10.3 | Form of Waiver. |

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: January 31, 2012

By: /s/ Amy L. Perry

Amy L. Perry
Vice President, Assistant General Counsel and
Corporate Secretary

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
10.1	NuStar GP, LLC Third Amended and Restated 2000 Long-Term Incentive Plan, incorporated by reference to Exhibit 10.01 to the Company's Current Report on Form 8-K filed May 10, 2011.
10.2	Form of Restricted Unit Agreement.
10.3	Form of Waiver.


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 Third 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 «Shares_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:
 «Shares_Period_1» Units on «Vest_Date_Period_1»
 «Shares_Period_2» Units on «Vest_Date_Period_2»
 «Shares_Period_3» Units on «Vest_Date_Period_3»
 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 with the Company’s service provider.
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 that 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 Company, may include withholding a number of Restricted Units otherwise payable to Participant.
8. By accepting this Award, Participant hereby accept and agree 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 «Option_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 or 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: 

Curtis V Anastasio
President & Chief Executive Officer

Accepted:

«First_Name» «Middle_Name» «Last_Name»
«Option_Date»

WAIVER

This Waiver, dated effective January 26, 2012 (the “**Waiver**”), waives certain rights of (the “**Participant**”) under certain performance unit agreements (as amended, the “**Agreements**”) that memorialize grants of Performance Units to Participant by **NuStar GP, LLC**, a Delaware limited liability company (the “**Company**”). Capitalized terms not otherwise defined in this Waiver shall have the meaning specified in the Agreements or the Plan. In the event of a conflict between the Waiver, the Agreements and the Plan, the Waiver will supersede the Agreements and the Plan, and the Agreements will supersede the Plan.

RECITALS

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

WHEREAS, NuStar Energy L.P. was ranked in the 4th Quartile for the Performance Period ending December 31, 2011 (the “**2011 Performance Period**”), which resulted in Participant receiving no Performance Units eligible for vesting during such period;

WHEREAS, under the terms of the Agreements, any Performance Units not received by Participant as a result of this ranking in the 4th Quartile (such units, the “**Carryforward Units**”) will carry forward for one more Performance Period and up to 100% of the Carryforward Units may be awarded based on NuStar Energy L.P.’s TUR during the Performance Period ending December 31, 2012; and

WHEREAS, the Participant wishes to waive all of his or her rights under the Agreements to receive any of the Carryforward Units.

WAIVER

For consideration, the sufficiency of which is hereby acknowledged, Participant hereby waives any and all rights Participant may have to receive, as well as any other rights with regard thereto, the Carryforward Units.

IN WITNESS WHEREOF, Participant has caused this Waiver to be duly executed as of the date first written above.

, Participant

ACKNOWLEDGED AND AGREED

NUSTAR GP, LLC

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