

---

**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): October 24, 2007**

---

**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))
-

**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, 2006 and its Current Report on Form 8-K filed August 21, 2007, effective on November 8, 2007, the third business day following NuStar Energy L.P.’s third quarter earnings release, 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 \$40,000 (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 8, 2007.

*Restricted units.* Effective November 8, 2007, restricted units of NuStar Energy L.P. were granted 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	7,210
Bradley C. Barron, Senior Vice President, General Counsel and Secretary	3,000
Steven A. Blank, Senior Vice President, Chief Financial Officer and Treasurer	3,360
James R. Bluntzer, Senior Vice President—Operations	3,000
Mary F. Morgan, Senior Vice President—Marketing and Business Development	3,000

**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 Non-employee Director Restricted Unit Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.
*10.03	Form of 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: October 29, 2007

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 Non-employee Director Restricted Unit Agreement under the NuStar GP, LLC Second Amended and Restated 2000 Long-Term Incentive Plan.
*10.03	Form of 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 which is equivalent in value to a common unit (“MLP Common Unit”) of Valero 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 1<sup>st</sup> anniversary of grant date]; [insert 1/3 #] Units on [insert 2<sup>nd</sup> anniversary of grant date]; and [insert 1/3 #] Units on [insert 3<sup>rd</sup> anniversary of grant date]**. The restrictions may terminate 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. DERs with respect to the Restricted Units will be paid to you in cash as of each record payment date during the period such Restricted Units are outstanding.
4. Neither this Award nor any right under this Award may be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by you otherwise than by will or by the laws of descent and distribution.
5. The Company will withhold any taxes due from your compensation as required by law, which, in the sole discretion of the Compensation Committee, may include withholding a number of Restricted Units otherwise payable to you.
6. By accepting this Award, you 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, as if it had been set forth verbatim in this Award.
7. By accepting this Award, you will become a Participant as of the effective date of this Award and, as such, you shall have no rights with respect to the Restricted Units or DERs granted hereunder except as are expressly conferred by the Plan and this Award.
8. This Award shall be binding upon the parties hereto and their respective heirs, legal representatives, and successors.
9. This Award is effective as of **[insert grant date]**.

NUSTAR GP, LLC

By: \_\_\_\_\_  
Curtis V Anastasio  
President & Chief Executive Officer

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 «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»; «Shares\_Period\_4» Units on «Vest\_Date\_Period\_4»; and «Shares\_Period\_5» Units on «Vest\_Date\_Period\_5». The restrictions may terminate 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. The 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 15<sup>th</sup> 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 15<sup>th</sup> 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 your compensation as required by law, which, in the sole discretion of the Compensation Committee, may include withholding a number of Restricted Units otherwise payable to you.
8. By accepting this Award, you 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 in accordance with 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.

14. This Agreement shall not create or be construed to create a trust or separate fund of any kind or any fiduciary relationship between Participant and the Company or any other person with respect to the Restricted Units. To the extent that any person acquires a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of an unsecured general creditor of the Company.

NUSTAR GP, LLC

By: \_\_\_\_\_  
Curtis V Anastasio  
President & Chief Executive Officer

Accepted:

\_\_\_\_\_  
«First\_Name» «Middle\_Name» «Last\_Name»  
«Option\_Date»