NuStar Energy L.P.
Form 4
January 26, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
BLANK STEVEN A

(Last) (First) (Middle)

2330 NORTH LOOP 1604 WEST

(Street)

SAN ANTONIO, TX 78248

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
NuStar Energy L.P. [NS]

3. Date of Earliest Transaction (Month/Day/Year)
01/22/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior VP, CFO and Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Units (tax withheld for performance unit vesting)	01/22/2009		F		168	D	$ 45.26	25,872	D	
Common Units	01/22/2009		M		510	A	$ 0	26,382	D	
Common Units (tax withheld for performance unit vesting)	01/22/2009		F		183	D	$ 45.26	26,199	D	

Common Units	01/22/2009		M		557	A	$ 0	26,756	D
Common Units (tax withheld for performance unit vesting)	01/22/2009		F		93	D	$ 45.26	26,663	D
Common Units	01/22/2009		M		283	A	$ 0	26,946	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amoun Underlying Securiti (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Share
Performance Units	(1)	01/22/2009		A		2,400		(1)	01/22/2012	Common	2,40
Performance Units	(2)	01/22/2009		M			510	01/22/2009	01/22/2009	Common	1,02
Performance Units	(2)	01/22/2009		M			557	01/22/2009	01/22/2010	Common	1,1
Performance Units	(3)	01/22/2009		M			283	01/22/2009	01/22/2011	Common	56

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BLANK STEVEN A 2330 NORTH LOOP 1604 WEST			Senior VP, CFO and Treasurer	

SAN ANTONIO, TX 78248

Signatures

Elizabeth E. Clifton as Attorney-in-Fact for Steven A. Blank	01/26/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Award of performance units. The performance units vest annually in one-third increments beginning on the first anniversary of the grant date and are payable in common units in amounts ranging from zero to 200% of the performance units.

(2) Settlement of previously awarded performance units at 50% of the base units awarded in 2006 and 2007 and vested on January 22, 2009, as well as the portion of units that vested but were not awarded in January 2008, which carried over pursuant to the terms of the performance unit grants.

(3) Settlement of performance units awarded in 2008 at 50% of base units.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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