NuStar Energy L.P.
Form 424B5
August 10, 2010
Table of Contents

Title of Each Class to Be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
4.80% Senior Notes due 2020	$450,000,000	99.807%	$449,131,500	$32,024(1)
Guarantees of Senior Notes				(2)

(1) Calculated in accordance with Rule 457(r) under the Securities Act. Payment of the registration fee at the time of filing of the registrant s registration statement on Form S-3 filed with the Securities and Exchange Commission on May 13, 2010 (File No. 333-166797), was deferred pursuant to Rules 456(b) and 457(r) of the Securities Act, and is paid herewith. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in such registration statement.

(2) No separate consideration will be paid in respect of the guarantees. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no registration fee is required with respect to such guarantees.

Table of Contents

Filed pursuant to Rule 424(b)(5)
SEC File No. 333-166797
333-166797-01
333-166797-02

PROSPECTUS SUPPLEMENT

(To Prospectus dated May 13, 2010)

$450,000,000

NuStar Logistics, L.P.

4.80% Senior Notes due 2020

Fully and Unconditionally Guaranteed by

NuStar Energy L.P. and NuStar Pipeline Operating Partnership L.P.

We are offering $450,000,000 aggregate principal amount of our 4.80% senior notes due 2020. We will pay interest on the notes on March 1 and September 1 of each year, beginning March 1, 2011. Interest on the notes will accrue from August 12, 2010. The notes will mature on September 1, 2020.

We may redeem some or all of the notes at any time or from time to time at a redemption price that includes a make-whole premium, as described under the caption Description of the Notes Optional Redemption.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future unsecured senior indebtedness. The notes are irrevocably and unconditionally guaranteed on a senior unsecured basis by our parent, NuStar Energy L.P., or NuStar Energy, and one of our affiliates, NuStar Pipeline Operating Partnership L.P., or NuPOP, jointly and severally. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including us, under any bank credit facility or public debt instrument. The guarantee by our parent will rank equally in right of payment to all of NuStar Energy s existing and future unsecured and unsubordinated indebtedness. The guarantee by NuPOP will rank equally in right of payment to all of NuPOP s existing and future unsecured and unsubordinated indebtedness.

Investing in the notes involves risks. Please read Risk Factors beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus for information regarding risks you should consider before investing in the notes.

	Initial Public Offering Price (1)	Underwriting Discount	Proceeds, before Expenses, to NuStar Logistics, L.P.
Per note	99.807%	0.650%	99.157%
Total	$449,131,500	$2,925,000	$446,206,500

(1) Plus accrued interest, if any, from the date of original issuance.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or the adequacy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

The Notes will not be listed on any securities exchange. Currently, there is no public market for the Notes.

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on or about August 12, 2010.

Joint Book-Running Managers

BofA Merrill Lynch **BNP PARIBAS** **J.P. Morgan** **Mizuho Securities USA Inc.**

Co-Managers

BBVA Securities **Daiwa Capital Markets** **Deutsche Bank Securities**

Mitsubishi UFJ Securities **RBS** **Scotia Capital** **SunTrust Robinson Humphrey**

The date of this prospectus supplement is August 9, 2010.

Table of Contents

This map depicts our operations as of June 30, 2010.

Table of Contents

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering of notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If information varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. Please read Where You Can Find More Information on page S-33 of this prospectus supplement and Where You Can Find More Information and Incorporation by Reference in the accompanying base prospectus.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any free writing prospectus relating to this offering. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus, any free writing prospectus or the information we have previously filed with the Securities and Exchange Commission that is incorporated by reference herein is accurate as of any date other than its respective date. This prospectus supplement, the accompanying base prospectus and any free writing prospectus do not constitute an offer to sell or a solicitation of an offer to buy securities in any jurisdiction or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

Table of Contents

SUMMARY

This summary highlights information from this prospectus supplement and the accompanying base prospectus. It does not contain all the information that you should consider before investing in the notes. This prospectus supplement and the accompanying base prospectus include specific terms of the offering of the notes, information about our business and our financial data. We urge you to read carefully the entire prospectus supplement, the accompanying base prospectus and the documents we have incorporated by reference, and our financial statements and the notes to those statements, before making an investment decision. You should also read the risk factors on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus for more information about important risks you should consider before making a decision to purchase notes in this offering. Additionally, you should read the Risk Factors and our discussions of other risks and uncertainties in our periodic filings with the SEC under the Exchange Act, particularly in our Annual Report on Form 10-K for our fiscal year ended December 31, 2009, which is incorporated herein by reference.

NuStar Energy L.P. (NuStar Energy) conducts substantially all of its business through its operating subsidiaries NuStar Logistics, L.P. (NuStar Logistics) and NuPOP and their respective subsidiaries. Accordingly, in the summary section of this prospectus supplement that describes the business of NuStar Energy and its subsidiaries, unless the context otherwise indicates, references to NuStar Energy, us, we, our, and like terms refer to NuStar Energy, together with its subsidiaries, including NuStar Logistics and NuPOP. NuStar Logistics is the borrower on substantially all of the consolidated company s credit facilities and is the issuer of an aggregate of $680 million of senior notes, all of which are fully and unconditionally guaranteed by each of NuStar Energy and NuPOP, and NuPOP is the issuer of an aggregate of $500 million of senior notes, all of which are fully and unconditionally guaranteed by each of NuStar Energy and NuStar Logistics. All financial results presented in this prospectus supplement are those of NuStar Energy and its subsidiaries, including NuStar Logistics and NuPOP, on a consolidated basis.

The notes are solely obligations of NuStar Logistics and, to the extent described in this prospectus supplement, are guaranteed by each of NuStar Energy and NuPOP. Accordingly, in the other sections of this prospectus supplement, including The Offering and Description of the Notes, unless the context otherwise indicates, references to NuStar Logistics, the Partnership, us, we, our, and like terms refer to NuStar Logistics and do not include any of its subsidiaries or its affiliates. Likewise, in such sections, unless the context otherwise indicates, NuStar Energy refers to NuStar Energy and not its subsidiaries and NuPOP refers to NuPOP and not its subsidiaries or affiliates.

NuStar Logistics, L.P.

NuStar Logistics is a wholly owned subsidiary of NuStar Energy (NYSE: NS), a publicly traded Delaware limited partnership. The notes issued by NuStar Logistics will be guaranteed by each of NuStar Energy and NuPOP, NuStar Energy s other operating subsidiary partnership. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument.

NuStar Energy and its subsidiaries are engaged in the terminalling and storage of petroleum products, the transportation of petroleum products and anhydrous ammonia, and asphalt and fuels marketing. We conduct our operations through our wholly owned subsidiaries, primarily NuStar Logistics and NuPOP. Our sources of revenue include:

- tariffs for transporting crude oil, refined products and anhydrous ammonia through our pipelines;
- fees for the use of our terminals and crude oil storage tanks and related ancillary services; and

Table of Contents

- sales of asphalt and other refined petroleum products.

We have three reportable segments: storage, transportation, and asphalt and fuels marketing.

As of June 30, 2010, our assets included:

- 62 terminal facilities in the United States, the Netherlands Antilles, Canada, Mexico, the Netherlands and the United Kingdom providing approximately 68.0 million barrels of storage capacity;
- 60 crude oil and intermediate feedstock storage tanks and related assets providing storage capacity of 12.5 million barrels;
- 5,605 miles of refined product pipelines with 21 associated terminals providing storage capacity of 4.6 million barrels and two tank farms providing storage capacity of 1.2 million barrels;
- 2,000 miles of anhydrous ammonia pipelines;
- 812 miles of crude oil pipelines as well as associated crude oil storage facilities providing storage capacity of 1.9 million barrels; and
- two asphalt refineries with a combined throughput capacity of 104,000 barrels per day and related terminal facilities with a combined storage capacity of 5.0 million barrels.

Storage Segment

Our storage segment includes terminal facilities that provide storage and handling services on a fee basis for petroleum products, specialty chemicals, crude oil and other liquids and crude oil storage tanks used to store and deliver crude oil. In addition, our terminals located on the island of St. Eustatius, the Netherlands Antilles and Point Tupper, Nova Scotia provide services such as pilotage, tug assistance, line handling, launch service, emergency response services and other ship services. As of June 30, 2010, we owned and operated:

- 52 terminals in the United States, with a total storage capacity of approximately 38.1 million barrels;
- a terminal on the island of St. Eustatius, the Netherlands Antilles with a tank capacity of 13.0 million barrels and a transshipment facility;
- a terminal located in Point Tupper, Nova Scotia with a tank capacity of 7.4 million barrels and a transshipment facility;
- six terminals located in the United Kingdom and one terminal located in Amsterdam, the Netherlands, having a total storage capacity of approximately 9.5 million barrels;
- a terminal located in Nuevo Laredo, Mexico; and

60 crude oil and intermediate feedstock storage tanks and related assets in Texas and California with aggregate storage capacity of approximately 12.5 million barrels.

Revenues for the storage segment include fees for tank storage agreements, in which a customer agrees to pay for a certain amount of storage in a tank over a period of time (storage lease revenues), and throughput agreements, in which a customer pays a fee per barrel for volumes moving through our terminals (throughput revenues). Our terminals also provide blending, additive injections, handling and filtering services. We charge a fee for each barrel of crude oil and certain other feedstocks that we deliver to Valero Energy Corporation s Benicia, Corpus Christi West and Texas City refineries from our crude oil storage tanks.

Transportation Segment

Our pipeline operations consist primarily of the transportation of refined petroleum products and crude oil. Our common carrier, refined product pipelines in Texas, Oklahoma, Colorado, New Mexico, Kansas, Nebraska, Iowa, South Dakota, North Dakota and Minnesota cover approximately 5,605 miles, consisting of the Central West System, the East Pipeline and the North Pipeline. The East and North Pipelines also include 21 terminals providing storage capacity of 4.6 million barrels, and the East Pipeline includes two tank farms providing storage capacity of 1.2 million barrels. In addition, we own a 2,000-mile anhydrous ammonia pipeline located in Louisiana, Arkansas, Missouri, Illinois, Indiana, Iowa and Nebraska. As of June 30, 2010, we owned and operated:

- 23 refined product pipelines with an aggregate length of 3,255 miles that connect Valero Energy Corporation s McKee, Three Rivers, Corpus Christi and Ardmore refineries to certain of NuStar Energy s terminals, or to interconnections with third-party pipelines or terminals for further distribution, including a 25-mile hydrogen pipeline;

- a 1,910-mile refined product pipeline originating in southern Kansas and terminating at Jamestown, North Dakota, with a western extension to North Platte, Nebraska and an eastern extension into Iowa;

- a 440-mile refined product pipeline originating at Tesoro Corporation s Mandan, North Dakota refinery and terminating in Minneapolis, Minnesota; and

- a 2,000-mile anhydrous ammonia pipeline originating at the Louisiana delta area that travels north through the midwestern United States forking east and west to terminate in Nebraska and Indiana.

As of June 30, 2010, we owned eleven crude oil pipelines in Texas, Oklahoma, Kansas, Colorado and Illinois with an aggregate length of 812 miles and crude oil storage facilities providing 1.9 million barrels of storage capacity in Texas and Oklahoma that are located along the crude oil pipelines.

We charge tariffs on a per barrel basis for transporting refined products, crude oil and other feedstocks in our refined product and crude oil pipelines and on a per ton basis for transporting anhydrous ammonia in the Ammonia Pipeline.

Asphalt and Fuels Marketing Segment

Our asphalt and fuels marketing segment includes our asphalt refining operations and our fuels marketing operations. As of June 30, 2010, our assets included two asphalt refineries with a combined throughput capacity of 104,000 barrels per day and related terminal facilities providing storage capacity of approximately 5.0 million barrels. We market the asphalt and certain other refined products produced by our refineries.

Our asphalt and fuels marketing segment also includes our fuels marketing operations, which provide us the opportunity to generate additional margin while complementing the activities of our storage and transportation segments. Specifically, we purchase gasoline, distillates and refinery feedstocks to take advantage of arbitrage opportunities and contango markets (when the price for future deliveries exceeds current prices). During a contango market, we can utilize storage at strategically located terminals, including our own terminals,

Table of Contents

to deliver products at favorable prices. Additionally, we may take advantage of geographic arbitrage opportunities by utilizing transportation and storage assets, including our own terminals and pipelines, to deliver products from one geographic region to another with more favorable pricing.

In addition, we sell bunker fuel from our terminal locations at St. Eustatius and Point Tupper where we also store bunker fuel for third parties. The strategic location of these two facilities and their storage capabilities provide us with a reliable supply of product and the ability to capture incremental sales margin. Also, the St. Eustatius terminal facility has six mooring locations that can supply bunkers to vessels up to 520,000 deadweight tons, and the Point Tupper facility has two mooring locations that can supply bunkers to vessels up to 400,000 deadweight tons. In 2009, we began limited bunkering operations at certain of our U.S. terminals.

The results of operations for the asphalt and fuels marketing segment depend largely on the margin between our cost and the sales price of the products we market. Therefore, the results of operations for this segment are more sensitive to changes in commodity prices compared to the operations of the storage and transportation segments. We enter into derivative contracts to mitigate the effect of commodity price fluctuations on our operations.

Business Strategies

Our business strategy is to increase per unit cash distributions to our partners through:

- continuous improvement of our operations by improving safety and environmental stewardship, cost controls and asset reliability and integrity;
- internal growth through enhancing the utilization of our existing assets by expanding our business with current and new customers as well as investments in strategic expansion projects;
- external growth from acquisitions that meet our financial and strategic criteria;
- complementary operations such as our product marketing and trading organization, which we created to capitalize on opportunities to optimize the use and profitability of our assets; and
- growth and improvement of our asphalt operations to benefit from anticipated decreases in overall asphalt supply and higher asphalt margins.

Competitive Strengths

We believe we are well positioned to execute our business strategies successfully because of the following competitive strengths:

- our ability to grow and expand our customer base through acquisitions;
- the strategic location of our assets in areas with high demand for our services and products;
- the geographic diversity of our assets, which encompass important aspects of crude oil and refined product storage and transportation;

the extensive industry experience of our senior management team and board of directors of our general partner; and

our established reputation in the petroleum industry as a reliable and cost-effective operator, and the expected benefits we and our customers will receive from our scale and operational expertise.

Table of Contents

Partnership Structure and Management

Management of NuStar Energy L.P.

NuStar Energy s operations are conducted through its wholly owned subsidiaries, NuStar Logistics and NuPOP. The general partner of Riverwalk Logistics, L.P., which is NuStar Energy s general partner, and its executive officers manage the operations and activities of NuStar Energy and its subsidiaries.

Principal Executive Offices and Internet Address

Our principal executive offices are located at 2330 North Loop 1604 West, San Antonio, Texas 78248, and our telephone number is (210) 918-2000. Our website is located at *http://www.nustarenergy.com*. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

Table of Contents

Ownership Chart

The following chart depicts our ownership structure as of August 1, 2010.

[1] Includes 1,239,871 common units owned by William E. Greehey, the Chairman of the board of directors of NuStar GP, LLC.

Table of Contents

The Offering

Issuer	NuStar Logistics, L.P.
Securities Offered	$450,000,000 aggregate principal amount of 4.80% Senior Notes due 2020.
Guarantees	NuStar Energy and NuPOP will fully and unconditionally guarantee the notes, jointly and severally. NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument.
Interest Payment Dates	March 1 and September 1 of each year, beginning March 1 , 2011.
Maturity Date	September 1, 2020.
Use of Proceeds	We will use the net proceeds from this offering (after payment of offering expenses) of approximately $445.9 million to repay a portion of the outstanding principal balance under our revolving credit facility.
Ranking	The notes will be our senior unsecured obligations and will rank equally in right of payment with all our other existing and future unsecured senior indebtedness, including indebtedness under our revolving credit facility. As of June 30, 2010, on a pro forma basis giving effect to the application of the proceeds of this offering, NuStar Logistics aggregate indebtedness for borrowed money was approximately $1.4 billion.
	The guarantee of our parent, NuStar Energy, will rank equally in right of payment with all of its other existing and future unsecured senior indebtedness. As of June 30, 2010, on a pro forma basis giving effect to the application of the proceeds of this offering, NuStar Energy s aggregate indebtedness for borrowed money was approximately $1.9 billion.
	The guarantee of our affiliate, NuPOP, will rank equally in right of payment to all of its existing and future unsecured and unsubordinated indebtedness. As of June 30, 2010, NuPOP s aggregate indebtedness for borrowed money was approximately $550.3 million.
	NuPOP will be released from its guarantee when it no longer guarantees any obligations of NuStar Energy or any of its subsidiaries, including NuStar Logistics, under any bank credit facility or public debt instrument.
	The indenture does not limit the amount of unsecured debt that we or either of the guarantors may incur. The indenture contains restrictions

Table of Contents

	on the ability of NuStar Logistics and its subsidiaries to incur secured indebtedness unless the same security is also provided for the benefit of holders of the notes.
Subsidiary Guarantees	We will cause any of our future subsidiaries that guarantees or becomes a co-obligor in respect of any of our funded debt to equally and ratably guarantee the notes.
Covenants and Events of Default	We will issue the notes under an indenture with Wells Fargo Bank, National Association, as trustee. The indenture will contain limitations on, among other things, our ability to:

- permit to exist certain liens on our assets to secure indebtedness; and
- engage in certain sale and leaseback transactions.

The indenture will provide for certain events of default, including default on certain other indebtedness.

Optional Redemption	We may redeem some or all of the notes at any time at a redemption price, which includes a make-whole premium, plus accrued and unpaid interest, if any, to the redemption date, as described in Description of the Notes beginning on page S-16 of this prospectus supplement.
Risk Factors	Please read Risk Factors beginning on page S-11 and on page 4 of the accompanying base prospectus for a discussion of factors you should carefully consider before investing in the notes.
Additional Notes	We may from time to time, without the consent of the holders of the notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the notes.
Governing Law	The indenture and the notes provide that they will be governed by, and construed in accordance with, the laws of the state of New York.

Table of Contents

Ratio of Earnings to Fixed Charges

The following table sets forth NuStar Energy s ratio of earnings to fixed charges for the periods indicated.

	For the Year Ended December 31,					For the Six Months Ended June 30,
	2005	2006	2007	2008	2009	2010
Ratio of earnings to fixed charges	3.5x	3.0x	2.6x	3.2x	3.3x	3.5x

For purposes of calculating the ratio of earnings to fixed charges:

fixed charges represent interest expense (including amounts capitalized), amortization of debt costs and the portion of rental expense representing the interest factor; and

earnings represent the aggregate of income from continuing operations (before adjustment for minority interest, extraordinary loss and equity earnings), fixed charges and distributions from equity investment, less capitalized interest.

Table of Contents

NuStar Energy Summary Consolidated Historical Financial and Operating Data

The following tables set forth, for the periods and at the dates indicated, summary consolidated historical financial and operating data for NuStar Energy. The financial data was derived from our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2009 and from our unaudited consolidated financial statements and related notes included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2010. The financial data set forth below should be read in conjunction with those consolidated financial statements and the notes thereto, which are incorporated by reference into this prospectus supplement and the accompanying base prospectus and have been filed with the SEC.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2007	2008	2009	2009	2010
	(Dollars in thousands, except per unit amounts)				
Statement of Income Data:					
Revenues:					
Service revenues	$ 696,623	$ 740,630	$ 745,349	$ 358,694	$ 384,382
Product sales	778,391	4,088,140	3,110,522	1,263,152	1,686,088
Total revenues	1,475,014	4,828,770	3,855,871	1,621,846	2,070,470
Costs and expenses:					
Costs of product sales	742,972	3,864,310	2,883,187	1,148,656	1,561,809
Operating expenses	357,235	442,248	458,892	213,827	241,280
General and administrative expenses	67,915	76,430	94,733	48,316	49,464
Depreciation and amortization	114,293	135,709	145,743	71,537	76,114
Total costs and expenses	1,282,415	4,518,697	3,582,555	1,482,336	1,928,667
Operating income	192,599	310,073	273,316	139,510	141,803
Equity earnings from joint ventures	6,833	8,030	9,615	5,324	5,117
Interest expense, net	(76,516)	(90,818)	(79,384)	(40,735)	(37,476)
Other income, net	38,830	37,739	31,859	27,844	15,117
Income before income tax expense	161,746	265,024	235,406	131,943	124,561
Income tax expense	11,448	11,006	10,531	8,853	5,436
Net income	150,298	254,018	224,875	123,090	119,125
Net income per unit applicable to limited partners	$ 2.73	$ 4.22	$ 3.47	$ 1.96	$ 1.64
Weighted average number of basic and diluted units outstanding	47,158,790	53,182,741	55,232,467	54,460,549	61,255,853
Balance sheet data:					
Total assets	$ 3,783,087	$ 4,459,597	$ 4,774,673	$ 4,861,857	$ 5,050,666
Total debt	1,446,289	1,894,848	1,849,763	2,130,834	1,846,276
Total partners equity	1,994,832	2,206,997	2,484,968	2,209,464	2,694,908
Other financial data:					
Net cash provided by (used in) operating activities	$ 222,672	$ 485,181	$ 180,582	$ (68,638)	$ 13,653
Net cash used in investing activities	(238,396)	(956,517)	(167,705)	(29,694)	(150,278)
Net cash provided by (used in) financing activities	37,060	440,063	(2,672)	104,963	107,802
Selected operating income (loss) by segment:					
Storage	$ 114,635	$ 141,079	$ 171,245	$ 87,049	$ 85,753
Transportation	126,508	135,086	139,869	64,969	68,492
Asphalt and Fuels Marketing	21,111	112,506	60,629	37,188	39,656

Consolidation and intersegmental eliminations	(133)	1,352	1,170	828	277
Total segments operating income	262,121	390,023	372,913	190,034	194,178
Less general and administrative expenses	67,915	76,430	94,733	48,316	49,464
Less other depreciation and amortization expense	1,607	3,520	4,864	2,208	2,911
Total operating income	$ 192,599	$ 310,073	$ 273,316	$ 139,510	$ 141,803

RISK FACTORS

Before you make a decision to invest in the notes, you should read the risk factors discussed below. You should also read and consider the risks, uncertainties and factors that are discussed on page 4 of the accompanying base prospectus and in our Annual Report on Form 10-K for our fiscal year ended December 31, 2009 that is incorporated herein by reference, together with all the other information included in this prospectus supplement, the accompanying base prospectus and the documents incorporated herein by reference in evaluating an investment in our notes.

Risk Related to the Notes

Our significant indebtedness and the restrictions in our debt agreements may adversely affect our future financial and operating flexibility.

As of June 30, 2010, our consolidated debt was $1.8 billion. This amount does not reflect the use of the proceeds from this offering to repay a portion of such debt nor the issuance of notes in this offering. Our substantial amount of indebtedness and the additional debt we expect to incur in the future for our capital expenditure program and potential acquisitions may adversely affect our liquidity and therefore our ability to make interest payments on the notes and distributions to our unitholders.

Among other things, our significant indebtedness may be viewed negatively by credit rating agencies, which could result in increased costs for us to access the capital markets. Any future downgrade of the debt issued by these wholly owned subsidiaries could significantly increase our capital costs or adversely affect our ability to raise capital in the future.

Debt service obligations, restrictive covenants in our credit facilities and the indentures governing our outstanding senior notes and maturities resulting from this leverage may adversely affect our ability to finance future operations, pursue acquisitions and fund other capital needs and our ability to pay cash distributions to unitholders. In addition, this leverage may make our results of operations more susceptible to adverse economic or operating conditions.

Additionally, we may not be able to access the capital markets in the future at economically attractive terms, which may adversely affect our future financial and operating flexibility and our ability to pay cash distributions at current levels.

Your ability to transfer the notes at a time or price you desire may be limited by the absence of an active trading market, which may not develop.

The notes are a new issue of securities for which there is no established public market. Although we have registered the notes under the Securities Act of 1933, we do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in the notes, as permitted by applicable laws and regulations, they are not obliged to make a market in the notes, and they may discontinue their market-making activities at any time without notice. An active market for the notes may not develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

Table of Contents

The tax treatment of publicly traded partnerships could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.

The present U.S. federal income tax treatment of publicly traded partnerships, including us, may be modified by administrative, legislative or judicial interpretation at any time. Any modification to the U.S. federal income tax laws and interpretations thereof could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. federal income tax purposes that is not taxable as a corporation, or qualifying income exception, affect or cause us to change our business activities, affect the tax considerations of an investment in us and change the character or treatment of portions of our income. For example, in response to certain recent developments, members of Congress are considering substantive changes to the definition of qualifying income under Section 7704(d) of the Internal Revenue Code. It is possible that these legislative efforts could result in changes to the existing U.S. tax laws that affect publicly traded partnerships, including us. Any modification to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively. We are unable to predict whether any of these changes, or other proposals, will ultimately be enacted. Any such changes could cause a material reduction in our anticipated cash flow, which could materially and adversely affect our ability to make payments on the notes and our other debt obligations and could cause a reduction in the value of the notes.

Table of Contents

USE OF PROCEEDS

We will use the net proceeds from this offering (after payment of offering expenses) of approximately $445.9 million to repay a portion of the outstanding principal balance under our revolving credit facility.

As of August 6, 2010, the outstanding balance of borrowings under the revolving credit facility was $552.9 million and the weighted interest rate under the revolving credit facility was 0.90%. Our revolving credit facility is currently scheduled to mature on December 10, 2012. Within the last year, other than short term working capital borrowings, we have used borrowings from our revolving credit facility to fund the May 21, 2010 acquisition of three asphalt storage terminals for $44.1 million. Affiliates of the underwriters in this offering are lenders under our revolving credit facility and, accordingly, will receive a portion of the net proceeds of the offering. Please read Underwriting.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth NuStar Energy s ratio of earnings to fixed charges for the periods indicated.

	For the Year Ended December 31,					For the Six Months Ended June 30,
	2005	2006	2007	2008	2009	2010
Ratio of earnings to fixed charges	3.5x	3.0x	2.6x	3.2x	3.3x	3.5x

For purposes of calculating the ratio of earnings to fixed charges:

fixed charges represent interest expense (including amounts capitalized), amortization of debt costs and the portion of rental expense representing the interest factor; and

earnings represent the aggregate of income from continuing operations (before adjustment for minority interest, extraordinary loss and equity earnings), fixed charges and distributions from equity investment, less capitalized interest.

Table of Contents

CAPITALIZATION

The following table shows:

- NuStar Energy s historical capitalization as of June 30, 2010;
- NuStar Energy s historical capitalization as adjusted to show the issuance on July 15, 2010 of the NuStar Logistics Gulf Opportunity Zone revenue bonds due 2040; and
- NuStar Energy s capitalization as further adjusted to show the application of the net proceeds we expect to receive in this offering in the manner described under Use of Proceeds.

This table should be read together with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	As of June 30, 2010 (unaudited)		
	Actual	As Adjusted	As Further Adjusted
	(Dollars in thousands)		
Cash	$ 34,554	$ 34,554	$ 34,554
Long term debt:			
NuStar Logistics 6.05% senior notes due 2013	238,094	238,094	238,094
NuStar Logistics 6.875% senior notes due 2012	103,345	103,345	103,345
NuStar Logistics 7.65% senior notes due 2018	349,416	349,416	349,416
NuStar Logistics 4.80% senior notes due 2020			449,132
NuPOP 7.75% senior notes due 2012	262,684	262,684	262,684
NuPOP 5.875% senior notes due 2013	256,229	256,229	256,229
NuStar Logistics $1.2 billion revolving credit agreement	546,148	546,148	100,242
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2038	55,440	55,440	55,440
NuStar Logistics Gulf Opportunity Zone revenue bonds due 2040 (1)		100,000	100,000
UK term loan	31,401	31,401	31,401
Port Authority of Corpus Christi note payable	3,519	3,519	3,519
Total long-term debt	1,846,276	1,946,276	1,949,501
Less current portion	(770)	(770)	(770)
Long-term debt, less current portion	1,845,506	1,945,506	1,948,731
Partners equity:			
Limited Partners (64,610,549 common units outstanding as of June 30, 2010)	2,636,632	2,636,632	2,636,632
General partner	58,242	58,242	58,242
Accumulated other comprehensive income	34	34	34
Total partner s equity	2,694,908	2,694,908	2,694,908
Total capitalization	$ 4,541,184	$ 4,641,184	$ 4,644,409

(1) On July 15, 2010, the Parish of St. James, State of Louisiana (the Parish) issued $100 million of tax exempt revenue bonds due July 1, 2040 under the Gulf Opportunity Zone Act of 2005. In connection with this and as a form of security thereto, we entered into a Lease Agreement with the Parish, pursuant to which the Parish agreed to make available to us the proceeds from the sale of the bonds and we agreed to lease from the Parish certain of the assets to be constructed with the bond proceeds. Payments under the Lease Agreement are tied to a variable interest rate of the bonds, which initially is 0.27%. Following the issuance, the proceeds were deposited with a trustee and will be disbursed to us upon our request for reimbursement of expenditures related to our St. James terminal expansion.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes (which represent a new series of, and are referred to in the accompanying base prospectus as, our senior debt securities) supplements and, to the extent inconsistent, replaces the description of the general terms and provisions of our senior debt securities set forth in the accompanying base prospectus.

We will issue the notes under the senior indenture among us, NuStar Energy, as guarantor, and Wells Fargo Bank, National Association, as trustee, dated as of July 15, 2002, which is described in the accompanying base prospectus, as supplemented by a supplemental indenture pursuant to which our affiliate, NuPOP, provided an unconditional guarantee of all debt securities issued under such senior indenture, including the notes. The terms of the notes include those set forth in the senior indenture and those made a part of the senior indenture by reference to the Trust Indenture Act of 1939. The senior indenture will be further amended and supplemented pursuant to a supplemental indenture setting forth the specific terms applicable to the notes. When we use the term indenture in this prospectus supplement, we refer to the senior indenture, as modified and supplemented by the supplemental indenture that sets forth the NuPOP guarantee and the supplemental indenture establishing the specific terms of the notes, unless the context requires otherwise.

The following description and the description in the accompanying base prospectus are a summary of the material provisions of the notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture because it, and not this description, defines your rights as a holder of notes. Copies of the indenture are available upon request from us or the trustee.

Brief Description of the Notes and the Guarantees

The Notes

The notes:

- are our general unsecured obligations;
- are unconditionally guaranteed on a senior unsecured basis by our parent, NuStar Energy, and by our affiliate, NuPOP, which guarantee will be released when NuPOP no longer guarantees any obligation of NuStar Energy or any of its subsidiaries under any bank credit facility or public debt instrument;
- rank equally in right of payment with all our other existing and future senior debt;
- effectively rank junior to any of our secured debt, to the extent of the security for that debt;
- rank senior in right of payment to all of our future subordinated debt; and
- are non-recourse to our general partner.

Subject to the exceptions, and subject to compliance with the applicable requirements, set forth in the indenture, we may discharge our obligations under the indenture with respect to the notes as described under Description of NuStar Logistics Debt Securities Discharging NuStar Logistics Obligations in the accompanying base prospectus.

The Guarantees

The notes are guaranteed by our parent, NuStar Energy, and NuPOP, NuStar Energy s other operating subsidiary.

S-16

Table of Contents

The guarantee by NuStar Energy:

- is a general unsecured obligation of NuStar Energy;
- ranks equally in right of payment with all other existing and future senior debt of NuStar Energy;
- effectively ranks junior to any secured debt of NuStar Energy, to the extent of the security for that debt;
- ranks senior in right of payment to any future subordinated debt of NuStar Energy; and
- is non-recourse to the general partner of NuStar Energy.

The guarantee by NuPOP:

- is a general unsecured obligation of NuPOP;
- ranks equally in right of payment with all other existing and future senior debt of NuPOP;
- effectively ranks junior to any secured debt of NuPOP, to the extent of the security for that debt;
- ranks senior in right of payment to any future subordinated debt of NuPOP; and
- is non-recourse to the general partner of NuPOP.

If at any time NuPOP does not guarantee any obligations of NuStar Energy or any of its subsidiaries (including NuStar Logistics) under any bank credit facility or any public debt instrument (other than pursuant to its guarantee of the notes), then NuPOP shall be released from its guarantee of the notes in accordance with the terms of the indenture. However, if at any time after NuPOP is released from its guarantee, NuPOP guarantees any obligations of NuStar Energy or any of its subsidiaries (including NuStar Logistics) under any bank credit facility or any public debt instrument other than the notes, then NuPOP will provide a guarantee of the notes in accordance with the terms of the indenture.

Principal, Maturity and Interest

We will issue notes initially in an aggregate principal amount of $450.0 million. The notes will be in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The notes will mature on September 1, 2020. We may issue additional notes of this series from time to time, without the consent of the holders of the notes, in compliance with the terms of the indenture.

Interest on the notes will:

- accrue at the rate of 4.80% per annum;

accrue from the date of issuance or the most recent interest payment date;

be payable in cash semi-annually in arrears on each March 1 and September 1, commencing on March 1, 2011;

be payable to the holders of record on February 15 and August 15 immediately preceding the related interest payment date;

be computed on the basis of a 360-day year comprised of twelve 30-day months; and

be payable, to the extent lawful, on overdue interest to the extent permitted by law at the same rate as interest is payable on principal.

Table of Contents

If any interest payment date, maturity date or redemption date falls on a day that is not a business day, the payment will be made on the next business day with the same force and effect as if made on the relevant interest payment date, maturity date or redemption date. Unless we default on a payment, no interest will accrue for the period from and after the maturity date or redemption date.

Payment and Transfer

Initially, the notes will be issued only in global form. Beneficial interests in notes in global form will be shown on, and transfers of interests in notes in global form will be made only through, records maintained by the depositary and its participants. Notes in definitive form, if any, may be registered, exchanged or transferred at the office or agency maintained by us for such purpose (which initially will be the corporate trust office of the trustee located at 1445 Ross Avenue, 2nd Floor, Dallas, TX 75202). Payment of principal, or premium, if any, and interest on notes in global form registered in the name of or held by the depositary or its nominee will be made in immediately available funds to the depositary or its nominee, as the case may be, as the registered holder of such global note. If any of the notes are no longer represented by global notes, all payments on such notes will be made at the corporate trust office of the trustee in Dallas, Texas, located initially at the corporate trust office of the trustee located at 1445 Ross Avenue, 2nd Floor, Dallas, TX 75202; however, any payment of interest on such notes may be made, at our option, by check mailed directly to registered holders at their registered addresses or, at the option of a registered holder, by wire transfer to an account designated in writing by the holder.

No service charge will be made for any registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith. We are not required to transfer or exchange any note selected for redemption or any other note for a period of 15 days before any mailing of notice of notes to be redeemed.

The registered holder of a note will be treated as the owner of it for all purposes.

Optional Redemption

The notes will be redeemable by us, in whole or in part, at any time at a redemption price equal to the greater of:

100% of the principal amount of the notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) from the redemption date to the maturity date computed by discounting such payments to the redemption date on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate equal to the sum of 30 basis points plus the Adjusted Treasury Rate on the third business day prior to the redemption date;

plus, in each case, unpaid interest accrued to the date of redemption.

Adjusted Treasury Rate means:

the yield, under the heading which represents the average for the week immediately preceding the week of publication, appearing in the then most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which contains yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

Table of Contents

if such release (or any successor release) is not published during the week including or immediately preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the notes.

Comparable Treasury Price means (1) the average of five Reference Treasury Dealer Quotations for the third business day prior to the applicable redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means any of Banc of America Securities LLC, BNP Paribas Securities Corp. and J.P. Morgan Securities Inc. and any successor firm selected by us, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means each of up to five dealers to be selected by the Partnership; provided that if any of the foregoing ceases to be, and has no affiliate that is, a primary U.S. governmental securities dealer (a Primary Treasury Dealer), the Partnership will substitute for it another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means the average, as determined by the Reference Treasury Dealer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and the trustee at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

The redemption price will be calculated by the Independent Investment Banker. If the Independent Investment Banker is unwilling or unable to make the calculation, we will appoint an independent investment banking institution of national standing to make the calculation.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the notes to be redeemed. Any notice to holders of notes of such redemption will include the appropriate calculation of the redemption price, but need not include the redemption price itself. The actual redemption price, calculated as provided above, will be set forth in an officer s certificate delivered to the trustee no later than two business days prior to the redemption date.

Upon the payment of the redemption price, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the notes or portions thereof called for redemption.

In the case of any partial redemption, selection of the notes for redemption will be made by the trustee on a pro rata basis, by lot or by such other method as the trustee in its sole discretion shall deem to be fair and appropriate.

Table of Contents

Notes will only be redeemed in multiples of $1,000 in principal amount. If any note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A new note in principal amount equal to the unredeemed portion of the original note will be issued upon the cancellation of the original note.

No Sinking Fund

We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

Covenants

Except to the extent described below, the indenture does not limit the amount of indebtedness or other obligations that we may incur. The indenture contains two principal negative covenants: