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

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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.

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

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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.

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Prospectus Supplement

Prospectus

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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

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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,

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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.

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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.

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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.

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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

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	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.

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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.

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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					