

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2008-08-29** | Period of Report: **2008-08-28**

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REPORTING OWNER

SANDS THEODORE D

CIK: **1080751** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **4** | Act: **34** | File No.: **033-43007** | Film No.: **081050009**
SIC: **1221** Bituminous coal & lignite surface mining

Mailing Address

*CITYPLACE ONE SUITE 300
ARCH MINERAL CORP
CREVE COEUR MO 63141*

Business Address

*CITY PLACE ONE STE 300
ARCH MINERAL CORP
ST LOUIS MO 63141
3149942700*

ISSUER

TERRA NITROGEN CO L P /DE

CIK: **879575** | IRS No.: **731389684** | State of Incorporation: **DE** | Fiscal Year End: **1231**
SIC: **2870** Agricultural chemicals

Mailing Address

*TERRA CENTER 600 FOURTH
STREET
PO BOX 6000
SIOUX CITY IA 51102-6000*

Business Address

*TERRA CENTRE 600 FOURTH
STREET
PO BOX 6000
SIOUX CITY IA 51102-6000
7122771340*

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person SANDS THEODORE D			2. Issuer Name and Ticker or Trading Symbol TERRA NITROGEN CO L P /DE [TNH]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 08/28/2008					
600 FOURTH STREET, P.O. BOX 6000			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street)								
SIOUX CITY, IA 51102-6000								
(City)	(State)	(Zip)						

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			

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 Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Phantom Unit	\$ 0	08/28/2008		A		63.42		(1)	(1)	Phantom Unit	63.42	\$121.5	3,091.49	D	
Phantom Unit	\$ 0	08/28/2008		A		27.05		(2)	(2)	Phantom Unit	27.05	\$121.5	3,118.54	D	

Explanation of Responses:

- The units represent cash distribution equivalents on director's compensation under the Company's compensation plan for outside directors. The units are settled in cash after the reporting person ceases to be a director of the company.
- These units represent cash distribution equivalents on the compensation plan for outside directors. The units are settled in cash on January 15th of each calendar year.

Signatures

Debra J. Bliven, by Power of Attorney for Theodore D. Sands

08/29/2008

** Signature of Reporting Person

Date

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

* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.