

VALERO ENERGY CORP/TX
Form 4
February 03, 2005

FORM 4

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

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
GREEHEY WILLIAM E

2. Issuer Name and Ticker or Trading Symbol
VALERO ENERGY CORP/TX [VLO]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
P.O. BOX 696000
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/03/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
COB and CEO

SAN ANTONIO, TX 78269-6000
(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock, \$.01 par value	02/03/2005		M		76,998 ⁽¹⁾ A \$ 0 2,709,022	D	
Common Stock, \$.01 par value	02/03/2005		M		99,999 ⁽¹⁾ A \$ 0 2,809,021	D	
Common Stock, \$.01 par value	02/03/2005		M		56,001 ⁽¹⁾ A \$ 0 2,865,022 ⁽²⁾	D	

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

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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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
					V	(A)	(D)	Date Exercisable	Expiration Date		
Common Stock, \$.01 par value	(3)	02/03/2005		A		55,000		(3)	02/03/2008	common stock	55,000
Common Stock, \$.01 par value	(1)	02/03/2005		M		51,332		02/03/2005	02/03/2005	common stock	51,332
Common Stock, \$.01 par value	(1)	02/03/2005		M		66,666		02/03/2005	02/03/2006	common stock	66,666
Common Stock, \$.01 par value	(1)	02/03/2005		M		37,334		02/03/2005	02/03/2007	common stock	37,334

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GREEHEY WILLIAM E P.O. BOX 696000 SAN ANTONIO, TX 78269-6000	X		COB and CEO	

Signatures

J. Stephen Gilbert, as Attorney-in-Fact for William E. Greehey
02/03/2005

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).

The reporting person's receipt of common shares from the settlement of his prior performance share awards has been deferred until the first day of January of the year following the reporting person's termination of service. The Compensation Committee of the Valero

(1) Energy Corporation Board of Directors has determined the award at 150% of the number of performance shares eligible to be issued in 2005 and has accrued such number of shares of common stock to be issued upon the first day of January of the year following the reporting person's termination of service.

(2) The 2,865,022 amount does not include 140,400.6527 shares indirectly owned by the reporting person in a thrift plan.

Award of performance shares under the Valero Energy Corporation 2001 Executive Stock Incentive Plan. The performance shares vest

(3) annually in one-third increments beginning on the first anniversary of the grant date and are payable in common stock in amounts ranging from zero to 200 percent of the performance shares.

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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