

VALERO ENERGY CORP/TX  
 Form 4  
 January 04, 2006

**FORM 4**

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

OMB APPROVAL

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

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)  
**12/30/2005**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**COB**

**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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$.01 par value	12/30/2005		M		74,666 <sup>(1)</sup>	A	\$ 0
Common Stock, \$.01 par value	12/30/2005		M		73,332 <sup>(1)</sup>	A	\$ 0
Common Stock, \$.01 par value	01/03/2006		A		374 <sup>(2)</sup>	A	\$ 0

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Common  
 Stock, 01/03/2006 F 1,568,942 D \$ 4,040,026 D  
 \$.01 par value 53.515 <sup>(3)</sup>

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 Security (Instr. 3 and 4)	Amount or Number of Shares
					V	(A)	(D)	Date Exercisable	Expiration Date		
Common Stock, \$.01 par value	<u>(1)</u>	12/30/2005		M		74,666		12/30/2005	01/15/2007	Common Stock	74,666
Common Stock, \$.01 par value	<u>(1)</u>	12/30/2005		M		73,332		12/30/2005	02/03/2008	Common Stock	73,332
Stock Option (right to buy)	\$ 53.515	01/03/2006		A		5,000		<u>(4)</u>	01/03/2013	Common Stock	5,000

## Reporting Owners

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

## Signatures

J. Stephen Gilbert, as Attorney-in-Fact for William E.  
Greehey

01/04/2006

\_\_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) Settlement of performance shares granted in 2004 and 2005 at 100% of target.

(2) Grant of restricted stock under the issuer's Restricted Stock Plan for Non-Employee Directors.

The 4,040,026 amount does not include 282,367.4052 shares indirectly owned by the reporting person in benefit plans. On December 15, 2005, Valero's common stock split 2-for-1, resulting in a 2-for-1 increase in the reported shares of common stock beneficially owned by the reporting person.

(4) Grant under the issuer's Non-Employee Director Stock Option Plan. The option vests in three equal annual installments beginning 01/03/2007.

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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