

VALERO ENERGY CORP/TX

Form 4

January 20, 2006

**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)

3. Date of Earliest Transaction (Month/Day/Year)  
**01/18/2006**

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

**P.O. BOX 696000**

(Street)

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

**SAN ANTONIO, TX 78269-6000**

(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
Common Stock, \$.01 par value	01/11/2006		G	V	2,730	D	\$ 0
Common Stock, \$.01 par value	01/18/2006		M		<u>199,998</u> <sup>(1)</sup>	A	\$ 0
Common Stock, \$.01 par value	01/18/2006		M		<u>111,999</u> <sup>(1)</sup>	A	\$ 0
Common Stock, \$.01	01/18/2006		M		<u>55,002</u> <sup>(1)</sup>	A	\$ 0
							4,037,296
							4,237,294
							4,349,293
							4,404,295 <sup>(2)</sup>

par value

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

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(9-02)

**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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount of Shares	
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date			
performance shares	(1)	01/18/2006		M	V	(A) 133,332	(D)	01/18/2006	01/18/2006	common stock	133
performance shares	(1)	01/18/2006		M	V	(A) 74,666	(D)	01/18/2006	01/18/2006	common stock	74,666
performance shares	(1)	01/18/2006		M	V	(A) 36,668	(D)	01/18/2006	01/18/2006	common stock	36,668

## 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	

## Signatures

J. Stephen Gilbert, as Attorney-in-Fact for William E. Greehey 01/20/2006

\_\_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) The reporting person's receipt of common shares from the settlement of his performance shares has been deferred until July 2006 in accordance with tax regulations. The Compensation Committee of the Valero Energy Corporation Board of Directors has determined the award at 150% of the number of performance shares eligible to be issued.

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(2) The 4,404,295 amount does not include 282,672.2508 shares indirectly owned by the reporting person in a thrift plan.

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