

VALERO ENERGY CORP/TX  
Form 4  
July 11, 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 \*  
EDWARDS S EUGENE

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)  
07/07/2006

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

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                                                                                        | (D)                                                      | Price                                                 |
| Common Stock, \$.01 par value   | 07/07/2006                           |                                                    | M                              |                                                                   | 60,000                                                                                        | A                                                        | \$ 8.4363 160,697                                     |
| Common Stock, \$.01 par value   | 07/07/2006                           |                                                    | F                              |                                                                   | 13,364                                                                                        | D                                                        | \$ 66.17 147,333                                      |
| Common Stock, \$.01 par value   | 07/07/2006                           |                                                    | M                              |                                                                   | 60,000                                                                                        | A                                                        | \$ 7.515 207,333                                      |

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|                              |            |   |        |   |            |                        |   |
|------------------------------|------------|---|--------|---|------------|------------------------|---|
| Common Stock, \$01 par value | 07/07/2006 | F | 13,100 | D | \$ 66.17   | 194,233                | D |
| Common Stock, \$01 par value | 07/07/2006 | S | 60,000 | D | \$ 65.4251 | 134,233                | D |
| Common Stock, \$01 par value | 07/07/2006 | S | 30,000 | D | \$ 66.9133 | 104,233 <sup>(1)</sup> | D |

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

**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 control number.**

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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 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) |              |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title        | Amount or Number of Shares |
| Stock Option (right to buy)                | \$ 8.4363                                              | 07/07/2006                           |                                                    | M                              | 60,000                                                                                  | 07/18/2004                                               | 07/18/2011                                                    | Common Stock | 60,000                     |
| Stock Option (right to buy)                | \$ 7.515                                               | 07/07/2006                           |                                                    | M                              | 60,000                                                                                  | 09/18/2005                                               | 09/18/2012                                                    | Common Stock | 60,000                     |

## Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other  
EVP

EDWARDS S EUGENE  
P.O. BOX 696000  
SAN ANTONIO, TX 78269-6000

## Signatures

Jay D. Browning, as Attorney-in-Fact for S. Eugene  
Edwards

07/11/2006

\_\_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 104,233 amount does not include 8,184.9001 shares indirectly owned by the reporting person in a thrift plan.

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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