

VALERO ENERGY CORP/TX

Form 4

January 24, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

() Check this box if no longer subject to Section 16.

Form 4 or Form 5 obligations may continue. See Instructions 1(b).

1. Name and Address of Reporting Person

Greehey, William E.

One Valero Place

San Antonio, TX 78212

USA

2. Issuer Name and Ticker or Trading Symbol

Valero Energy Corporation

VLO

3. IRS or Social Security Number of Reporting Person (Voluntary)

4. Statement for Month/Year

01/22/03

5. If Amendment, Date of Original (Month/Year)

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

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

(specify below)

Chairman of the Board, President and Chief Executive Officer

7. Individual or Joint/Group Filing (Check Applicable Line)

(X) 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	2. Transaction Date	3. Code	4. Securities Acquired (A) or Disposed of (D) Amount	A/D	Price	5. Amount of Securities Beneficially Owned at End of Month
Common Stock, \$.01 par value (bonus shares)	01/23/03	A	13,864*	A		
Common Stock, \$.01 par value (settlement of '00 performance shares)	01/22/03	M	36,249*	A		
Common Stock, \$.01 par value (settlement of '01 performance shares)	01/22/03	M	37,500*	A		
Common Stock, \$.01 par value (settlement of '02 performance shares)	01/22/03	M	38,501*	A		1,256,959
						67,754.0455
* See footnote (2) on Table II.						

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Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date	4. Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Payment of Underlying Securities
Performance Shares Award	(1)	01/22/03	A	100,000	A (1) 01/20/06	Common Stock	(1)
Performance Shares Settlement of '00 award	(2)	01/22/03	M	24,166	D 01/22/03 01/20/03	Common Stock	36,249 (2)
Performance Shares Settlement of '01 award	(2)	01/22/03	M	25,000	D 01/22/03 01/20/04	Common Stock	37,500 (2)
Performance Shares Settlement of '02 award	(2)	01/22/03	M	25,667	D 01/22/03 01/20/05	Common Stock	38,501 (2)

Explanation of Responses:

(1) Award of performance shares under the Valero Energy Corporation 2001 Executive Stock Incentive Plan. Pursuant to terms of the reporting person's performance share agreement approved by the Compensation Committee, any shares of common stock earned pursuant to the terms of the performance award are not to be issued until the first day of January of the year following the reporting person's termination of service. The amount of common stock to be awarded to the reporting person is determined annually over a three-year period and is payable in amounts ranging from zero to 200 percent of the performance shares.

(2) The reporting person's receipt of bonus shares and the settlement of his prior performance share awards have 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 Energy Corporation Board of Directors has determined the amount of the award at 150% of the number of performance shares eligible to be issued in 2003 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.

SIGNATURE OF REPORTING PERSON

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

DATE

01/24/03