

Marcogliese Richard J
 Form 4
 October 29, 2007

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 *
 Marcogliese Richard J

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)
 10/25/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ 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 Ownership (Instr. 4)
Common Stock, \$.01 par value	10/25/2007		A	(A) or (D) A	21,200 (1) \$ 0 83,041 (2)	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.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Edgar Filing: Marcogliese Richard J - Form 4

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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 71.45	10/25/2007		A	51,400	⁽³⁾	10/25/2014	Common Stock	51,400
Performance Shares	⁽⁴⁾	10/25/2007		A	17,680	⁽⁴⁾	01/31/2011	Common Stock	⁽⁴⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Marcogliese Richard J P.O. BOX 696000 SAN ANTONIO, TX 78269-6000			EVP	

Signatures

J. Stephen Gilbert, as Attorney-in-Fact for Richard J. Marcogliese 10/29/2007

__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) Award of restricted stock. The shares of restricted stock vest annually in equal increments over a five-year period beginning in October 2008.
- (2) The 83,041 amount does not include 6,397.5146 shares indirectly owned by the reporting person in a thrift plan.
- (3) The stock options vest annually in equal increments over a five-year period beginning in October 2008.
- (4) The performance shares vest annually in one-third increments beginning in January 2009 and are payable in shares of 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.