



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Office of the Director
Bureau of Competition

AUG 30 2005

Ilene Knable Gotts, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, N.Y. 10019-6150

Re: *Proposed Merger Between Valero Energy Corporation and Premcor Inc.,
File No. 051-0145*

Dear Ms. Gotts:

The Federal Trade Commission has conducted a nonpublic investigation to determine whether the proposed merger of Valero Energy Corporation and Premcor Inc., constituted a violation of Section 7 of the Clayton Act or Section 5 of the Federal Trade Commission Act.

Upon further review of this matter, it now appears that no additional action is warranted by the Commission at this time. Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation has not occurred, just as pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Susan A. Creighton".

Susan A. Creighton