

EXHIBIT 33

MINUTES of the Regular
Meeting of the Board of
Directors of Diamond Shamrock
Corporation, Thursday,
October 20, 1983, at 10:00
a.m., Diamond Shamrock
Refining and Marketing Unit
Headquarters, San Antonio,
Texas

PRESENT: Messrs. Ames, Barnes, Bricker, Brown, Coldwell,
Edwards, Hay, Holmes, Jackson, Kimbell,
Macgregor, Manderbach, Rush and York.

Also Present were Messrs. Ahlstrom, Arp, Carlton, Epps,
Garbesi, Groves, Kelley, Klesse, Mark, McDoulett, Mielke and
Stewart.

At the request of the Chairman, Mr. Kelley, Vice President
and General Counsel described the present and proposed
structure of the corporation. He explained that consistent
with the Corporation's decentralized structure each operating
unit would eventually become a separate subsidiary of the
Corporation. He then responded to questions from directors.

Mr. Ahlstrom, Vice President, Finance, reported on the
Corporation's financial condition. He explained that the
consolidated financial statements of the Corporation for the
nine months ended September 30, 1983 were not complete because
certain accounting matters relating to the Natomas acquisition
had not been resolved. He then reported the operating results
for each unit for the period and responded to questions.

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Mr. Ahlstrom introduced Mr. Mielke, Treasurer, who recommended on behalf of management that the Corporation's credit lines be consolidated into a new Revolving Credit Agreement in the principle amount of \$1,000,000,000. A portion of this Revolving Credit Agreement would be used to back up the Corporation's commercial paper borrowings. Such a restructuring would reduce the Corporation's lines of credit by approximately one-third, reduce the number of participating banks from fifty to thirty and reduce fees significantly.

Thereupon, after full discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that the Chief Executive Officer, the President, the Vice President - Finance, the Treasurer or any Assistant Treasurer of the Corporation be, and each of them hereby is, authorized and empowered for and on behalf of the Corporation to make from time to time borrowings in domestic or foreign source currencies, including Eurodollars, or otherwise directly or indirectly pledge the credit of the Corporation, provided, that at the time of incurrence of any such borrowings the aggregate amount of outstanding borrowings of the Corporation and any outstanding guarantees of any borrowings of any wholly or partially owned subsidiary, affiliated company, partnership or joint venture of the Corporation contemplated by the following resolutions do not exceed U. S. \$1,250,000,000, based upon exchange rates prevailing on the date any such borrowings are incurred by the Corporation or the date the Corporation enters into any guarantee relating to any such borrowings by any such subsidiary, affiliated company, partnership or joint venture.

FURTHER RESOLVED that the Chief Executive Officer, the President, the Vice President - Finance, the Treasurer or any Assistant Treasurer of the Corporation be, and each of them hereby is, authorized and empowered from time to time to cause any wholly or partially owned subsidiary, affiliated company, partnership or joint venture of the Corporation to incur borrowings in domestic or foreign source currencies, including Eurodollars, or otherwise directly or indirectly pledge the credit of any such subsidiary, affiliated company, partnership or joint venture, and to cause the Corporation to guarantee any such borrowings or pledges of credit by any such subsidiary, affiliated company, partnership or joint venture, provided, that at the time of any guarantee by the Corporation of any borrowing of any such subsidiary, affiliated company, partnership or joint venture the aggregate amount of outstanding borrowings of the Corporation contemplated by the foregoing resolution and outstanding guarantees by the Corporation of borrowings of any such subsidiary, affiliated company, partnership or joint venture do not exceed U. S. \$1,250,000,000, based upon exchange rates prevailing on the date any such borrowings are incurred by the Corporation or the date the Corporation enters into any guarantee relating to any such borrowings by any such subsidiary, affiliated company, partnership or joint venture.

FURTHER RESOLVED that the Chief Executive Officer, the President, any Vice President, the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized and empowered on behalf of the Corporation to negotiate, prepare, execute and deliver a bank credit or loan agreement in the aggregate amount of \$1,000,000,000 in such form and containing such terms as any of them may determine to be advisable or appropriate (such determination to be exclusively evidenced by the taking of such action or the execution of such agreement), and all that such officer may do under or by reason of this resolution is hereby confirmed and approved.

FURTHER RESOLVED that the Chief Executive Officer, the President, any Vice President, the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized and empowered on behalf of the Corporation to negotiate and execute any other bank credit or loan agreements or any amendments to existing or future bank credit or loan agreements as any of them may determine (such determination to be exclusively evidenced by the taking of such action or the

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execution of such agreements) to be advisable or appropriate to carry out the intent of the foregoing resolutions, and all that any such officer may do under or by reason of this and the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that each of the aforesaid officers of the Corporation be, and each of them hereby is, authorized to negotiate, prepare, execute, certify and deliver any loan agreements, credit agreements, promissory notes, bonds, debentures, commercial paper obligations, letters of credit, bankers acceptances, guarantees, overdraft facility agreements or other agreements, instruments, documents, certificates, consents and papers for and in the name of the Corporation, under the corporate seal or otherwise, and to make such payments and do and cause to be done all acts and things as may be requested, required or as any of such officers may deem desirable in order to carry out the transactions contemplated by the foregoing resolutions, and to carry out the intent of such resolutions, all such agreements, instruments, documents, certificates, consents and papers and any amendments, supplements or modifications thereto to be in such form and to contain such terms as the officer executing the same shall approve, his approval and authority and the compliance with the limitations set forth in the preceding resolutions all to be conclusively presumed by his signature, and all that any such officer may do under or by reason of this and the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that any borrowings or pledges of credit by the Corporation or any wholly or partially owned subsidiary, affiliated company, partnership or joint venture, or the guarantee by the Corporation of borrowings or pledges of credit of any such subsidiary, affiliated company, partnership or joint venture, as authorized in the preceding resolutions, be exclusive of and in addition to borrowings or pledges of credit, or guarantees thereof, authorized under separate and specific resolution of the Board of Directors.

FURTHER RESOLVED that the resolutions authorizing short-term and long-term borrowings of domestic and foreign source currency and the guaranteeing of borrowings of foreign subsidiaries of the Corporation approved by the Board of Directors on August 28, 1983 to the extent inconsistent with the preceding resolutions are hereby rescinded and superseded.

Mr. Ahlstrom stated that the Board of Directors was scheduled to give consideration to the declaration of the quarterly dividend on the Corporation's \$4.00 and \$2.07 Preferred Stock and Common Stock. Before motions declaring such dividends were entertained, the Board discussed the dividend policy of the Corporation. The Board unanimously reaffirmed the following policy statement:

Dividend Policy

A primary corporate objective is to continuously improve the value of our stockholders' investment. A factor in supporting this objective is a well-defined, well-communicated statement concerning dividends.

The Corporation wishes to maintain a common dividend payout, as an average of primary earnings per share, that is competitive for the integrated petroleum industry. We believe a 25% to 35% dividend payout is in order.

It was the view of the board that the foregoing policy should be discussed further at a future meeting of the Board.

A motion was then made, seconded and unanimously carried, to adopt the following resolutions:

RESOLVED that there be, and hereby there is, declared from the Corporation's consolidated earnings and earned surplus dividend of 8-1/2 cents per share for the quarterly period ending December 14, 1983, on all shares of \$2.07 Cumulative Convertible Preferred Stock of the Corporation issued and outstanding at the close of business on November 18, 1983, payable in cash on December 15, 1983, and that November 18, 1983, be and hereby it is fixed as the record date for the determination of the stockholders entitled to receive payment of such dividend.

RESOLVED that there be, and hereby there is, declared from the Corporation's consolidated earnings and earned surplus a dividend of \$1.00 per share for the quarterly period ending December 14, 1983, on all shares of \$4.00 Cumulative Convertible Preferred Stock of the Corporation issued and outstanding at the close of business on November 18, 1983, payable in cash on December 15, 1983, and that November 18, 1983, be and hereby it is fixed as the record date for the determination of the stockholder entitled to receive payment of such dividend.

RESOLVED that there be, and hereby there is, declared from the Corporation's consolidated earnings and earned surplus a quarterly dividend of .44 cents per share on all shares of the Common Stock of the Corporation issued and outstanding at the close of business on November 18, 1983, payable in cash on December 7, 1983, and that November 18, 1983, be and hereby it is fixed as the record date for the determination of the stockholders entitled to receive payment of such dividend.

Mr. Rush, Vice Chairman, presented the Corporation's preliminary three-year financial plan. The assumptions made in developing the plan and the plan results were discussed. Mr. Rush and several other officers then responded to questions from the Board. The three-year plan will be discussed further at the February Board meeting.

Mr. Brown, Chairman of the Compensation Committee, reported on matters discussed at the regular meeting of the Compensation Committee held this date. On behalf of the Compensation Committee, Mr. Brown recommended that the Board approve "change-in-control" employment agreements with principal officers of the Corporation. He pointed out that employment agreements had previously been authorized by Diamond Chemicals Company (formerly Diamond Shamrock Corporation) which as a result of the consummation of the combination with Natomas

Company became a wholly owned subsidiary of the Corporation. Upon the combination, the principal executive officers of Diamond Chemicals Company became the principal executive officers of the Corporation. He recommended on behalf of the Compensation Committee that the Board authorize the execution of employment agreements with the executive officers terms which would be substantially the same as those in the employment agreements between such officers and Diamond Chemicals Company. Such agreements, although effective upon execution, do not become operative unless or until there is a change in control of the Corporation, thereby preserving the Corporation's freedom to effect changes in management and terminate employment prior to any change in control and yet meet the critical need for a continued strong management without substantial change in an event of such a change in control, and thereby help assure continued employment not only of the officers with whom such agreements would be made but also of executives reporting directly or indirectly to them. Such agreements are not intended to alter the compensation and benefits that the executive could reasonably expect in the absence of a change in control of the Corporation, but are intended to put them in a position in which they would neither benefit nor lose to any appreciable extent from acceptance by the Stockholders of the Corporation of an offer for their shares. Management therefore could be counted on to be impartial in evaluating any offer for the Corporation's capital stock which might lead to a change in control.

After discussion, upon motion duly made, seconded and unanimously carried, with Messrs. Bricker, Jackson and Rush abstaining, the Board adopted the following resolutions:

RESOLVED that the Chairman of the Board of Directors or, in the case of the Chairman, the President of the Corporation, is hereby authorized and directed to enter into and execute on behalf of the Corporation employment agreements with the principal officers of the Corporation named in the schedule presented to this meeting and designated Schedule I, which the Secretary is directed to file, properly identified, in the minute book with the minutes of this meeting, each such agreement to continue until the date set forth in Schedule I opposite the name of each such officer, each such agreement to include the terms and conditions set forth in the schedule presented to this meeting and designated Schedule II, which the Secretary is directed to file, properly identified, in the minute book with the minutes of this meeting and such other terms and conditions as the Chairman of the Board of Directors or the President of the Corporation authorized by this resolution to execute such agreement on behalf of the Corporation may, upon the advice of counsel, approve, each such agreement to take effect immediately but to be operative only in the event of a change in control of the Corporation while the officer is in the employ of the Corporation, such event being evidenced by a substantial change in the composition of the Board of Directors of the Corporation or through the acquisition of a substantial number of shares of the Common Stock of the Corporation or in such other manner as may be defined in the formal employment agreement to be executed between the Corporation and such officer.

FURTHER RESOLVED that the Chairman of the Board of Directors or, in the case of the Chairman, the President of the Corporation, is authorized and directed to enter into and execute on behalf of the Corporation agreements with the officers named in Schedule I in substantially the form presented to this meeting and designated Schedule III, which the Secretary is directed to file, properly identified in the minute book with the minutes of this meeting, with

such changes, insertions or deletions therein as the officer executing such agreement may approve together with any other agreements, documents or instruments which he may deem necessary, desirable or appropriate in connection therewith, including, without limitation, the letter of credit contemplated by Section 4 of such agreement.

Mr. Brown then reported on the status of the Committee's efforts to review and suggest recommendations with respect to the Corporation's executive compensation program. A presentation of a new executive compensation program has been scheduled for the December meeting of the Board of Directors.

Mr. Ames, Chairman of the Board Composition Committee reported on the meeting of the Committee held on October 19, 1983. He stated that the Committee had considered present policies and practices with respect to the function, structure and operation of the Board, and he summarized certain of the matters discussed. The Committee concluded that no significant changes in such policies and practices should be recommended at this time. The Committee did recommend that the Board schedule seven regular meetings for 1984. In place of the July meeting, meetings would be held in June and August thereby avoiding a substantial lapse of time between regular Board meetings.

Mr. Edwards, Chairman of the Audit Committee, reported on matters discussed at the meeting of the Audit Committee held this date. The Committee had reviewed the impact of the Natomas acquisition and the divestiture of certain chemical businesses on the audit plans and fees of Price Waterhouse. Mr. Edwards also reported that at the request of management

Price Waterhouse had conducted a review of the Operations Audit Department, concluding that such department was organized and functioning in a satisfactory manner.

Mr. McDoulett, Chairman and Chief Executive Officer of Natomas Company, discussed the reorganization of Natomas' operations into the appropriate operating units of the Corporation. He then reviewed Natomas' Indonesian and geothermal operations.

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Mr. Epps, President of the Corporation's Refining and Marketing Unit, and Mr. Mark, Executive Vice President of such Unit, were asked to make a presentation on refined product marketing. Mr. Mark reported on the current status of crude oil pricing and refinery capacity in the United States. He then discussed in detail the Corporation's marketing efforts and its competitive position.

Mr. Klesse, Vice President of the Refining and Marketing Unit, was then asked to present to the Board an appropriation of \$10,000,000 to acquire thirty service stations in El Paso, Texas and New Mexico.

After full discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized and empowered to acquire, or to cause a subsidiary of the Corporation to acquire, 30 Piggy Bank and Royal Crown retail gasoline outlets in El Paso, Texas and southern New Mexico (the "Piggy Bank/Royal Crown Outlets") AFE 2816.

FURTHER RESOLVED that the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation to acquire, or to cause a subsidiary of the Corporation to acquire, the Piggy Bank/Royal Crown Outlets for up to \$10,000,000, such consideration to be paid in cash or, in 2,000,000 shares of Common Stock and either (i) \$5,000,000 in cash or (ii) additional shares of Common Stock with an aggregate market price of \$5,000,000 based upon the average closing price of the Common Stock as reported in the Composite Tape for the five trading days immediately preceding the consummation of the acquisition.

FURTHER RESOLVED that the President and any Vice President of the Corporation, and each of them hereby are authorized to negotiate, prepare, execute and deliver, for and in the name of the Corporation or a subsidiary of the Corporation, a definitive acquisition, purchase or exchange agreement the "Acquisition Agreement" for the acquisition of the Piggy Bank/Royal Crown Outlets as contemplated by the foregoing resolutions, such Acquisition Agreement to contain such terms and conditions as the officers signing the same shall approve, such approval to be conclusively evidenced by their execution thereof.

FURTHER RESOLVED that each of the appropriate officers of the Corporation and each of them hereby, are authorized to prepare, execute, certify and deliver such further agreements, instruments, documents, certificates, consents and papers, and any amendments thereto, for and in the name of the Corporation, or a subsidiary of the Corporation, and to make such payments and do and cause to be done all acts and things as may be requested, required or as such officers may deem desirable in order to carry out the transactions contemplated by the foregoing

resolutions, and to carry out the intent of such resolutions, all such agreements, instruments, documents, certificates, consents and papers and any amendments, supplements or modifications thereto to be in such form and to contain such terms as the officers executing the same shall approve, and all that such officers may do under or by reason of this and the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized to file or to cause to be filed with the Securities and Exchange Commission ("Commission") pursuant to the Securities Act of 1933 ("1933 Act") a Registration Statement on Form S-3 ("Registration Statement"), or such other form as may be available, registering such number of shares of Common Stock of the Corporation as may be issued and delivered pursuant to the Acquisition Agreement for resale pursuant to the 1933 Act and to do or cause to be done everything necessary or advisable in order to effect the registration under such Act of such shares of Common Stock and any action so taken by them or any of them shall be conclusive evidence of their or his authority so to act.

FURTHER RESOLVED that subject the discretion of any officer of the Corporation as to the necessity therefore or desirability thereof the officers of the Corporation, and each of them, are hereby authorized to prepare, execute and file with the New York, Pacific, Frankfurt, Basel, Geneva and Zurich stock exchanges applications for listing thereon, upon notice of issuance, the shares of Common Stock to be issued and delivered pursuant to the Acquisition Agreement.

FURTHER RESOLVED that any officer or assistant officer of the Corporation, and each of them, are hereby designated by the Corporation to appear before any department, committee, body or official of the New York, Pacific, Frankfurt, Basel, Geneva and Zurich stock exchanges with authority to make such applications and agreements relative to listing the shares of Common Stock and to make such changes therein and to take such steps as may be necessary, appropriate or advisable to conform to applicable requirements for listing of such shares.

FURTHER RESOLVED that if in connection with the issuance and delivery of the Common Stock pursuant to the Acquisition Agreement any application or other

instrument must be filed or other action must be taken by the Corporation to comply with the securities laws of any state, any officer or assistant officer of the corporation is hereby authorized to file or to cause to be filed any such application or other instrument and to take or cause to be taken any action as may be required to effect such compliance, and if in connection therewith any particular form of resolution shall be required, such resolution is deemed adopted providing a copy thereof shall be inserted in the minute book following this written action.

FURTHER RESOLVED that the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, to execute and deliver such other documents or instruments, to make filings with any federal, state, local or foreign governmental agency, court or other body and to do all acts as may, in their or his judgment, be advisable or necessary in connection with and the transactions contemplated, necessary, appropriate or advisable in connection with the foregoing resolutions, and any such documents or instruments so executed and delivered, filings so made or actions so taken by them or any of them shall be conclusive evidence of their or his authority in so doing.

FURTHER RESOLVED that any specific resolutions necessary or advisable for the purpose of accomplishing the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board on this date provided that a copy thereof is inserted in the minute book following this written action.

Mr. Carlton, Vice President, Administration, discussed certain changes being considered with respect to the Corporation's benefit programs. After discussion, consideration of such changes was deferred until the December meeting.

Mr. Carlton recommended that the Board ratify a certain lease and contract of sale for Quail Hollow Inn, Inc. After full discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that the Lease Agreement and Contract of Sale by and among the Corporation's wholly owned subsidiaries, Boja Realty Corp. and Quail Hollow Inn, Inc. and Club Corporation of America's wholly owned subsidiary, Quail Hollow Management, Inc. presented to the Board, be and hereby it is in all respects ratified and approved.

FURTHER RESOLVED that each of the officers of the Corporation and its wholly owned subsidiaries Quail Hollow Inn, Inc. and Boja Realty Corp. be, and each of them hereby is, authorized to prepare, execute, certify and deliver such further agreements, instruments, documents, deeds, certificates, affidavits, consents, amendments to the Lease Agreement and Contract of Sale and other papers and to do and cause to be done all acts and things as may be requested or required or as such officers may deem desirable in order to carry out transactions contemplated by the foregoing resolution and to carry out the intent of such resolution all such documents to be in such form and to contain such terms as the officer executing the same shall approve and all that such officers may do under by reason of this and the foregoing resolution is hereby confirmed and approved.

Mr. Jackson, President and Chief Operating Officer, and Mr. Bricker reported to the Board on the operations of each of the Corporation's units and discussed their respective prospects for the fourth quarter.

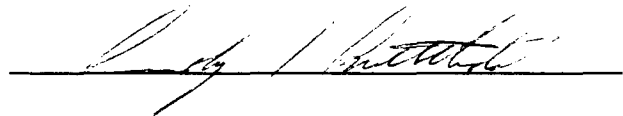
Mr. Jackson presented the statements of Oil and Gas exploration and production expenditures and new and supplemental appropriations of the Corporation for the months of July, August and September, 1983. After discussion upon motion duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED that the Oil and Gas exploration and production expenditures and new and supplemental capital appropriations for the Corporation of less than \$5,000,000 authorized for July, August and September, 1983, in the net total amount of \$120,132,069, be and the same hereby are ratified and approved.

At this point, the non-directors present were excused from the meeting.

The Chairman then discussed with the Board the status of the Corporation's 1983 Performance Incentive Plan. Because of the financial performance of the Corporation in 1983 management does not expect that the award threshold of 10% ROSE will be reached this year, therefore, no awards under the Plan formula are expected to be made. In order to recognize individual achievement, the Chairman recommended that the Board approve special awards to be granted in those instances where in the opinion of management an individual's performance has had a significant, positive effect on the Corporation during 1983. The Chairman pointed out that over the last four years more than \$2,500,000 available for grants under the Plan had been returned to the Corporation. The Board, after full discussion, authorized the establishment of a fund of \$3,000,000 to be used to make such awards.

There being no further business the meeting was adjourned.

A handwritten signature in black ink, appearing to be "D. J. [unclear]", written over a horizontal line.

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DIAMOND SHAMROCK CORPORATION

Schedule I

Relating to Employment Agreements
Authorized by the Board of Directors

The officers of the Corporation with whom employment agreements authorized by the Board of Directors on October 20, 1983 are to be made and the expiration date of each such agreement shall be the following:

<u>Name</u>	<u>Expiration Date</u>
Richard M. Ahlstrom	August 21, 1990
Richard W. Arp	April 16, 1991
W. H. Bricker	August 21, 1990
Gerald G. Carlton	August 21, 1990
Riley M. Epps	February 17, 1993
Timothy J. Fretthold	October 20, 1993
Robert E. Garbesi	October 20, 1993
Claude B. Groves	February 17, 1993
J. L. Jackson	August 21, 1990
James F. Kelley	April 16, 1991
C. D. McDoulett, Jr.	February 17, 1993
Donald C. Mielke	August 21, 1990
J. Avery Rush, Jr.	November 22, 1987
Charles E. Stewart	August 21, 1990

DIAMOND SHAMROCK CORPORATION

Schedule II

Relating to Employment Agreements
Authorized by the Board of Directors

1. Salary to be at least at the present rate, with such increases, including increases to reflect inflation, as may be made from time to time in accordance with the Corporation's present salary practices.
2. Participation to continue in the annual incentive performance awards under the Corporation's Performance Incentive Plan, upon a basis that will render total compensation from salary and such annual awards no less than that paid in 1982 plus increases in salary since 1982 (other than salary increases resulting from a change in the mix as between salary and incentive performance awards).
3. Participation to continue in the Long-Term Incentive Plan (or any successor equivalent plan that may be substituted), including stock options, with at least the same reward opportunities as are at present provided, and with such improvements as may from time to time be made in accordance with present practices of the Corporation.
4. Continuance under each employment agreement at no less than present levels of employee benefit plans and practices (or successor plans and practices with at least equivalent benefits), including retirement plans, employee savings plans, employee stock ownership plans, life and accidental death and dismemberment, travel insurance and medical and health and welfare plans.
5. Continuance during the term of the employment agreement at no less than present levels of all benefits and service credit for benefits under the Corporation's retirement plan and supplemental unfunded pension plan and any other supplemental early retirement or similar plan (or successor plans with at least equivalent benefits).
6. If employment shall be terminated by the Corporation during the term of the employment agreement other than for "cause," such termination other than for "cause" to be defined to include a significant change in the nature or scope of duties and responsibilities of the officer or his good faith determination that due to changed circumstances he is unable to carry on such duties and responsibilities entitling him to terminate employment:

(a) The officer will be required to endeavor to mitigate damages by seeking employment elsewhere, but will not be required to accept a position of less dignity or a position in a location, other than that of his principal residence or its environs, that is not convenient for him.

(b) The Corporation will continue to pay him annual compensation during the remainder of the term of the employment agreement and to provide him with the employee benefits attached to his former position with an appropriate offset for compensation and corresponding benefits incident to employment elsewhere. Annual compensation will consist of his salary on termination of employment plus the average of his three highest annual bonus awards during employment (with an appropriate adjustment for any change in mix between salary and annual bonus), or if he shall then have been employed for less than three years, his bonus award or awards, or the average thereof if more than one, during employment on an annualized basis.

(c) The remaining period of the employment agreement will be deemed service with the Corporation for the purpose of determining payments in respect of long-term incentive plans in which the officer was a participant, rights under any outstanding stock options and stock appreciation rights, and continued credits under the Corporation's retirement programs, including the retirement benefit provided under paragraph 5 above.

7. If employment shall be terminated by the Corporation without cause prior to age 65, whether such termination shall take place during the fixed period of employment under the agreement or thereafter, the Corporation will pay the officer a severance allowance in an amount equal to his monthly salary at the time of termination of employment plus the monthly average of his three highest annual bonus awards during employment or, if he shall then have been employed for less than three years, his bonus award or awards, or the average thereof if more than one, during employment on an annualized basis, for a period of at least 24 months but in no event beyond age 65, and the Corporation will continue to provide employee benefits for the officer during such period, with an appropriate offset for compensation and corresponding benefits paid or provided by the Corporation pursuant to paragraph 6(b) above.

8. Nothing in the employment agreement or elsewhere shall confer any right upon the officer, or imply any right, to continue in the employ of the Corporation prior to a change in control of the Corporation, or shall in any way limit the right of the Corporation to terminate his employment at any time prior to a change in control of the Corporation.

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DIAMOND SHAMROCK CORPORATION

Schedule III

Relating to Employment Agreements
Authorized by the Board of Directors

Dear Mr. _____ :

1. On October 20, 1983 the Board of Directors of Diamond Shamrock Corporation (the "Company") authorized the Company to enter into an employment agreement (the "Agreement") between you and the Company. A copy of the Agreement is attached hereto as Exhibit 1. The purpose of the Agreement and the similar agreements (collectively, the "Agreements") executed by other executive officers of the Company (collectively, with you, the "Executives") and the Company is to aid in (i) assuring continuity of management and (ii) in the event of any actual or threatened Change in Control, as that term is defined in Section 18 of the Agreements ("Change in Control"), assuring that each of the Executives is not thereby put in a position in which he would either substantially benefit from or be harmed by any such Change in Control. The Agreements are not intended to alter materially the

Executives' compensation and benefits in the event of a Change in Control.

2. The Agreement becomes operative upon the occurrence of a Change in Control. The Company is aware that under such circumstances the Board of Directors or a stockholder of the Company may then cause or attempt to cause the Company to refuse to comply with its obligations under the Agreement, or may cause or attempt to cause the Company to institute, or may institute, litigation seeking to have such Agreement declared unenforceable, or may take, or attempt to take, other actions to deny you the benefits intended under the Agreement. In these circumstances, the purpose of the Agreement could be frustrated.

3. It is the intent of the Company that you not be required to incur the expenses associated with the enforcement of your rights under the Agreement by arbitration, litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to you thereunder. Accordingly, if following a Change in Control it should appear to you that the Company has failed to comply with any of its obligations under the Agreement or in the event that the Company or any other person takes any action to declare the Agreement void or unenforceable, or institutes any arbitration, litigation or other legal action designed

to deny, or to recover from you the benefits intended to be provided to you thereunder, and that you have complied with all of your obligations under the Agreement, the Company irrevocably authorizes you from time to time to retain counsel of your choice, at the expense of the Company as provided in this section 3, to represent you in connection with the initiation or defense of any arbitration, litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company irrevocably consents to your entering into an attorney-client relationship with such counsel, and in that connection the Company and you agree that a confidential relationship shall exist between you and such counsel. The reasonable fees and expenses of counsel selected from time to time by you as hereinabove provided shall be paid or reimbursed to you by the Company on a regular, periodic basis upon presentation by you of a statement or statements prepared by such counsel in accordance with its customary practices, up to a maximum aggregate amount of \$150,000 or such larger amount as may be approved, prior to the time such fees and expenses are incurred, by any two of the following Executives: W. H. Bricker, J. L. Jackson, G. G. Carlton, R. M. Ahlstrom and J. F. Kelley.

4. In order to ensure the benefits intended to be provided to you under the Agreement without your incurring the cost and expense of such litigation, the Company has established an irrevocable standby Letter of Credit in favor of you and each of the other Executives, drawn on Mellon Bank, N.A. Credit No. (the "Letter of Credit"), which provides that the credit amount of \$150,000 is available against presentation at any time or from time to time of your clean sight draft or drafts, and that the credit amount of \$150,000 may be increased to such larger amount as may be approved as provided in section 3. A copy of the Letter of Credit is attached hereto as Exhibit 2. Each time you draw under the Letter of Credit, you will provide to the Company a copy of such draft and of the statements of your counsel referred to in section 3.

5. In the event that any section, paragraph, clause or other provision of this letter agreement shall be determined to be invalid or unenforceable in any jurisdiction for any reason, such section, paragraph, clause or other provision shall be enforceable in any other jurisdiction in which valid and enforceable and, in any event, the remaining sections, paragraphs, clauses and other provisions of this letter agreement shall be

unaffected and shall remain in full force and effect to the fullest extent permitted by law, and the invalidity or unenforceability of this letter agreement or any section, paragraph, clause or other provision hereof shall not affect the validity or enforceability of the Agreement or any section, paragraph, clause or other provision thereof.

6. Except as otherwise provided herein, this letter agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company, including, without limitation, any person acquiring directly or indirectly all or substantially all of the assets of the Company whether by merger, consolidation, sale or otherwise (and such successor shall thereafter be deemed "the Company" for the purposes of this letter agreement), but shall not otherwise be assignable by the Company.

7. The validity, interpretation, construction, performance and enforcement of this letter agreement shall be governed by the laws of the State of Delaware without giving effect to any principles of conflict of laws arising under the laws of such State, and each of the Company and you agree that any litigation arising out of or with respect to the letter agreement shall only be commenced by the Company or you in a court of jurisdiction in the State of Delaware.

If this letter agreement correctly sets forth our understanding, please so indicate by signing and returning the attached copy, whereupon this letter agreement will become a binding contract between you and the Company.

Very truly yours,

DIAMOND SHAMROCK CORPORATION

By _____

Accepted and agreed to

this ____ day of _____,

1983:

0263T