

EXHIBIT 48

1983

DIAMOND SHAMROCK CHEMICALS COMPANY

Written Consent of Members of
the Board of Directors

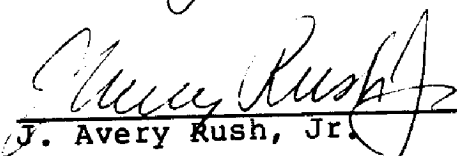
The undersigned, constituting all of the members of the Board of Directors of Diamond Shamrock Chemicals Company, a Delaware corporation (the "Corporation"), hereby adopt the following resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of State of Delaware.

This instrument shall be filed with the minutes of the proceedings of the Board of Directors of the Corporation.

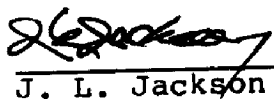
IN WITNESS WHEREOF, the undersigned have executed this instrument as of the 15th day of December, 1983.



W. H. Bricker



J. Avery Rush, Jr.



J. L. Jackson



Richard M. Ahlstrom



James F. Kelley

RESOLVED that, subject to the approval of the Corporation's sole stockholder, the President, any Vice President, the Treasurer, the Secretary, any Assistant Treasurer, any Unit Vice President, any General Manager and any agent or attorney-in-fact heretofore appointed by or in accordance with any resolution of the Board of Directors be, and each of them hereby is, authorized for and on behalf and in the name of the Corporation (i) to convey, assign, lease or otherwise transfer and deliver to Diamond Shamrock Corporate Company, a wholly owned subsidiary of the Corporation ("DSCC") all properties, rights and other assets owned or leased by the Corporation both real and personal, tangible and intangible, wherever situated, other than properties, rights and other assets owned or leased by the Corporation and used principally in connection with or related principally to the Corporation's refining and marketing, exploration and production, coal or industrial and process chemicals businesses (such properties, rights and other assets related to and used in such businesses being referred to as the "Operating Unit Property"), and (ii) to assign and transfer to DSCC all rights, obligations and liabilities of the Corporation of any nature whatsoever constituting a part of, secured by or related to the property, rights and other assets the conveyance, assignment, transfer or lease of which is authorized pursuant to this resolution (such property, rights and other assets being referred to as the "Corporate Property").

FURTHER RESOLVED that \$27,235,750 aggregate net value of the Corporate Property transferred and delivered to DSCC pursuant to these resolutions shall constitute a contribution to the capital of DSCC and the balance of such Corporate Property shall be transferred and delivered in consideration of the execution and delivery by DSCC of an unsecured promissory note substantially in the form attached to this written consent in principal amount equal to the net book value of the balance of such Corporate Property transferred and delivered to DSCC pursuant to these resolutions.

FURTHER RESOLVED that, subject to the approval of the Corporation's sole stockholder, prior to the transfer and delivery of the Corporate Property to DSCC pursuant to these resolutions the President, any Vice President, the Treasurer, any Assistant Treasurer, any Unit Vice President, any General Manager and any agent or attorney-in-fact heretofore appointed by or in accordance with any resolution of the Board of Directors be, and each of them hereby is, authorized and directed for and on

behalf of the Corporation (i) to convey, assign, lease or otherwise transfer and deliver to Diamond Shamrock Aviation Company, a wholly owned subsidiary of Diamond Shamrock Corporate Company ("DSAC"), the Corporation's flight operations, including airport hangar facilities, furnishings therein and improvements thereto, aircraft, equipment and vehicles (such properties, rights and other assets related to and used in the Corporation's flight operations being referred to as the "Flight Operations Property"), and (ii) to assign and transfer to DSAC all rights, obligations and liabilities of the Corporation of any nature whatsoever constituting a part of, secured by or related to the Flight Operations Property.

FURTHER RESOLVED that the aggregate net value of the Flight Operations Property transferred and delivered to DSAC pursuant to these resolutions shall constitute a contribution to the capital of DSAC.

FURTHER RESOLVED that the persons specified above be, and each of them hereby is, authorized, directed and empowered to make any and all decisions and take any and all actions which such person may deem necessary, appropriate or desirable regarding the selection for conveyance, assignment, transfer or lease of properties, rights or other assets owned by the Corporation to DSCC and to DSAC in accordance with the foregoing resolutions (including in instances where the question is not free from doubt, the designation of any such property, right or other asset as Operating Unit Property rather than property, rights or other assets authorized to be conveyed, assigned, transferred or leased to DSCC or DSAC in accordance with the foregoing resolutions) and any conveyance, assignment, transfer or lease made in accordance with this and the foregoing resolutions being conclusively evidenced by his execution of any such conveyance, assignment, transfer or lease.

FURTHER RESOLVED that the persons specified above be, and each of them hereby is, authorized, directed and empowered to take any and all action, including, without limitation, perfecting the conveyance of real property, and to execute

and deliver any and all agreements, deeds, conveyances, leases, assignments, certificates, notices and other documents relating to the conveyance, assignment, transfer, delivery and assumption of the Corporate Property and the Flight Operations Property and the above specified rights, obligations and liabilities of the Corporation, which such person taking such action, with advice of counsel, may deem necessary, appropriate or desirable in connection with the transactions contemplated by the foregoing resolutions, and all that such person may do under or by reason of this resolution is hereby confirmed and approved.

FURTHER RESOLVED that any specific resolution of the Board required for the purpose of carrying out the purpose and intent of the foregoing resolutions is hereby deemed adopted and may be certified by the Secretary as having been adopted by the Board this date provided that a copy thereof is inserted in the minute book following these resolutions.

* * *

RESOLVED that, subject to the approval by the Corporation's sole stockholder, Diamond Shamrock Corporation ("DSC"), and the execution of supplemental indentures by Mellon Bank, N.A. relating to certain of the Indentures (as that term is hereinafter defined), the transfer and delivery by the Corporation, to be accomplished as promptly as practicable (the "Transfer"), to DSC, as a dividend or other distribution with respect to the Corporation's issued and outstanding shares of Common Stock, of the Corporation's entire right, title and interest in and to (i) all of the issued and outstanding shares of capital stock of Diamond Shamrock Refining and Marketing Company, Diamond Shamrock Exploration Company, Diamond Shamrock Coal Company and Diamond Shamrock Corporate Company, each Delaware corporations and wholly owned subsidiaries of the Corporation and (ii) cash, receivables and other assets held by the Corporation as described in Schedule I hereto (the "Transferred Assets"), constituting substantially all of the property and assets of the Corporation, in partial consideration of the assumption by DSC of the Corporation's obligations (i) to make due and punctual payment of principal, premium and interest on all of the debentures, notes, bonds and other evidences of indebtedness ("Obligations") issued and outstanding pursuant to the indentures, mortgages, deeds of trust and other agreements or instruments described in Schedule II hereto (the "Indentures") and (ii) to perform and to observe all the

terms, covenants and conditions of the Indentures to be kept and to be performed by the Corporation pursuant to the Indentures, are hereby authorized and approved.

FURTHER RESOLVED that each of the officers of the Corporation is hereby authorized, directed and empowered to take any and all action, for and on behalf and in the name of the Corporation, including without limitation perfecting the Transfer of the Transferred Assets and the assumption by DSC of the Obligations issued and outstanding pursuant to the Indentures, and to make, execute, acknowledge, certify, file, verify, issue, deliver and record any and all stock powers, assignments, bills of sale, deeds, agreements, certificates, notices, reports, instruments and other documents relating to the Transfer of the Transferred Assets and the assumption of the Obligations which the person taking such action may deem necessary, appropriate or desirable in order to carry out fully the foregoing resolutions and the intent and purposes thereof, all such agreements, certificates, notices, reports, instruments and other documents to be in such form and to contain such terms as the officer or officers executing the same shall approve, and all that such officer or officers may do under or by reason of this and the foregoing resolutions are hereby confirmed and approved.

* * *

RESOLVED that the sale by Diamond Shamrock Agricultural Chemicals Inc., a wholly owned subsidiary of the Corporation, of all of the issued share capital of Diamond Shamrock Agrochemicals Limited ("DSAL") to May & Baker Limited for a purchase price of approximately Pounds Sterling 1,487,000, net of any dividends paid by DSAL prior to the sale and subject to adjustment for any change in book value of DSAL between July 31, 1983 and November 30, 1983, and upon substantially such other terms as are set forth in the draft Share Purchase Agreement between Diamond Shamrock Agricultural Chemicals Inc., Diamond Shamrock Europe Limited and May & Baker Limited (draft of December 8, 1983) be and the same hereby is authorized and approved.

FURTHER RESOLVED that such Share Purchase Agreement, including the Guarantee between the Corporation and May & Baker Limited attached thereto as the Ninth Schedule, is hereby approved and C.M. Jones, E.D. McQuaid and John Sherwin, Jr., be, and each of them hereby is, authorized to execute and deliver the Guarantee for and in the name of

the Corporation and to execute and deliver, or to cause the appropriate officers of Diamond Shamrock Agricultural Chemicals, Inc. and Diamond Shamrock Europe Limited to execute and deliver, the Share Purchase Agreement and such other agreements, instruments, documents, certificates, consents and papers contemplated therein, with such changes thereto as the persons executing the same, with the advice of counsel, may deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the persons named in the foregoing resolution be, and each of them hereby is, authorized to prepare, execute, certify and deliver such further instruments, documents, certificates, consents and papers for and in the name of the Corporation, to affix the corporate seal and to do and cause to be done all acts and things as may be required or as such persons, with the advice of counsel, may deem necessary, appropriate or advisable 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 and conditions, whether material or non-material, as the person executing the same shall approve, his execution thereof to be conclusive evidence of his approval, and all that such person may do under or by reason of this and the foregoing resolutions is hereby confirmed and approved.

SCHEDULE OF TRANSFERRED ASSETS

INVESTMENTS

All issued and outstanding shares of equity securities of the following companies:

Diamond Shamrock Coal Company
Diamond Shamrock Corporate Company ("Corporate Subsidiary")
Diamond Shamrock Exploration Company ("Exploration Subsidiary")
Diamond Shamrock Refining and Marketing Company ("Refining and Marketing Subsidiary")

RECEIVABLES

All accounts receivable owing to Diamond Shamrock Chemicals Company by any of the Subsidiaries at the date hereof, including, without limitation, the \$81,636,750 promissory note of the Corporate Subsidiary, the \$788,619,377 promissory note of the Exploration Subsidiary and the \$361,983,771 promissory note of the Refining and Marketing Subsidiary.

All other accounts receivable (including, without limitation, tax refunds) owing to Diamond Shamrock Chemicals Company at the date hereof whether or not the amounts thereof are ascertainable at the date hereof other than those designated as assets of the Chemical Unit on the books and records of Diamond Shamrock Chemicals Company and other than those related to wholesale refined petroleum products.

CASH

All cash and marketable securities or other temporary investments carried on the balance sheet of Diamond Shamrock Chemicals Company at the date hereof.

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SCHEDULE II

Indenture dated as of April 1, 1974 securing 9% Sinking Fund Debentures due April 1, 1999

Indenture dated as of November 15, 1975 securing 9-1/8% Sinking Fund Debentures due November 15, 2000

Indenture dated as of December 15, 1976 securing 7.70% Sinking Fund Debentures due November 15, 2001

Indenture dated as of April 1, 1978 securing 8.50% Sinking Fund Debentures due April 1, 2008

Indenture dated as of May 1, 1983 securing 11-1/4% Sinking Fund Debentures due May 1, 2013 and 10-5/8% Notes due May 1, 1993

Lease Purchase Agreement with Delaware Industrial Building Commission due September 1, 1987

Industrial Development Board of Muscle Shoals, Ala. Series 1979 Industrial Revenue Bonds

North Alabama Environmental Improvement Authority (Muscle Shoals Pollution) (Lease Agreement Dated October 1, 1971)

Industrial Development Board of Muscle Shoals (Series 1979 Pollution Control Revenue Bonds)

Gulf Coast Waste Disposal Authority (Environmental Improvement Refunding Bond Series 1975-A)

Gulf Coast Waste Disposal Authority (Environmental Improvement Refunding Bond Series 1975-B)

Gulf Coast Waste Disposal Authority (Air Pollution Control Refunding Bond Series 1975-C)

Department of Community Affairs and Economic Development - Delaware (Pollution Control Revenue Bonds, Series A) (April 1, 1975)

Department of Community Affairs and Economic Development - Delaware (Industrial Development Revenue Bonds, Series A) (April 1, 1975)

Lease Agreement with West Alabama Environmental Authority
(October 1, 1971) (Mobile Pollution)

Installment Sale Agreement with Niagara County (N.Y.) Industrial
Development Agency (March 1, 1981)

County Commission of Kanawha County, West Virginia, \$3.5MM
Pollution Control Revenue Bonds

County Commission of Kanawha County, West Virginia, \$1MM
Environmental Improvement Revenue Bonds

Palo Duro River Authority (Texas) Pollution Control Revenue
Bonds, Series 1981

Gulf Coast Waste Disposal Authority, Texas; Pollution Control
Revenue Bonds, Series 1982

Gulf Coast Waste Disposal Authority (Pollution Control Revenue
Bonds, 1977 Series A)

City of Van Buren, Arkansas, Pollution Control Revenue Bonds
Series 1977 Assigned to A.E. Staley Manufacturing Company
on 9/12/82

City of Van Buren, Arkansas, Industrial Development Revenue
Bonds Series 1977 (Assigned to A.E. Staley Manufacturing
Company on 8/12/82)

Palo Duro River Authority (Pollution Control Revenue Bonds, 1978
Series)

Gulf Coast Waste Disposal Authority (Pollution Control Revenue
Bonds, 1979 Series)

Sublease with Park Leasing Group Dated as of December 6, 1974,
as amended (Metal Coatings Building)

Lease Agreement with Development Authority of Polk County,
Georgia Dated as of October 1, 1972 (Cedartown Pollution)

4.70% Note (Ohio National Life Insurance Company)

4.7% Note (Western and Southern Life Insurance Company)

4.7% Note (Various Holders) due May 27, 1985

5.5% Note (Minnesota Mutual Life Insurance Company)

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\$81,636,750.00

January 1, 1984

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Diamond Shamrock Corporate Company, a Delaware corporation ("Maker") hereby promises to pay to the order of Diamond Shamrock Chemicals Company, a Delaware corporation, ("Payee") on demand, at its office at 717 North Harwood Street, Dallas, Dallas County, Texas, the sum of Eighty-One Million, Six Hundred Thirty-Six Thousand Seven Hundred Fifty and no/100 Dollars (\$81,636,750.00) in lawful money of the United States of America, plus interest on the unpaid balance thereof, accruing on the last day of each month this Note remains outstanding and on the date of payment of all outstanding principal hereof at a daily rate computed by dividing an annual rate equal to 12% by 365 (or 366 in any leap year during which any principal hereof shall be outstanding).

1. (SCHEDULE OF PAYMENTS) Interest on this Note shall be repayable in equal installments on January 31, 1984 and on the last day of each succeeding month until the entire unpaid principal and accrued interest thereon shall be paid in full.
2. (WAIVERS) The Maker and all endorsers, sureties and guarantors of this Note hereby severally waive presentment for payment, protest, notice of protest, diligence in collecting, the bringing of any suit against any party and any notice of or defense on account of any extensions, renewals, partial payments or changes in any manner of or in this Note or in any of its terms, provisions and covenants, or any releases or substitutions of any security, or any delay, indulgence or other act of any trustee or any holder hereof, whether before or after demand for payment shall be made.
3. (PREPAYMENTS) Maker may prepay this Note in full or in part, provided that Maker shall deliver to Payee at its address set out above 30 days' written notice specifying the amount and date of such prepayment.
4. (COVENANTS) Maker agrees to perform and observe each of the following:
 - 4.1 (RECORDS) Maker will at all times maintain true and complete records and books of account.

4.2 (FINANCIAL STATEMENTS) Maker will furnish to Payee forthwith upon each written request of Payee, such information about Maker's financial condition, operation and properties as Payee may from time to time reasonably request, which information shall be submitted in form and detail satisfactory to Payee and certified by a financial officer of Maker.

4.3 (FEES AND COSTS) If this Note is placed in the hands of an attorney for collection after default, or if all or any part of the indebtedness represented hereby is proved, established or collected in any court or in any bankruptcy or receivership, Maker and all endorsers, sureties and guarantors of this Note jointly and severally agree to pay reasonable attorneys' fees and collection costs to the holder hereof in addition to the principal and interest payable hereunder.

5. (WARRANTIES) Maker hereby represents and warrants as follows:

5.1 (EXISTENCE) Maker is a corporation duly organized and validly existing under Delaware law and is in good standing in the office of the Delaware Secretary of State.

5.2 (RIGHT TO ACT) The execution and delivery of this Note confers a direct pecuniary benefit upon Maker and by executing and delivering this Note and all agreements securing same (together the "Documents") and by performing and observing the provisions thereof, Maker will not violate any existing provision of its articles of incorporation, code of regulations or bylaws or any applicable law or violate or otherwise become in default under any existing contract or other obligation binding upon Maker. The officer executing and delivering the Documents on behalf of Maker has been duly authorized to do so, and the Documents are legally binding upon Maker in every respect.

6. (DEFAULTS) Each of the following shall constitute an event of default hereunder:

6.1 (PAYMENTS) If any principal of or interest on this Note shall not be paid within ten (10) days after the same shall be due and payable.

6.2 (AGREEMENTS) If maker shall fail or omit to perform and observe any covenant, condition, restriction or agreement contained in the Documents or any other agreement between Maker and Payee.

- 6.3 (WARRANTIES) If any representation, warranty or certification made herein or pursuant hereto, or any other information furnished by Maker to Payee or to any other holder hereof, shall be in any material respect false or erroneous.
- 6.4 (MAKER'S SOLVENCY) If Maker shall (a) discontinue business; or (b) make a general assignment for the benefit of creditors; or (c) apply for or consent to the appointment of a receiver, a trustee or liquidator of itself or all or a substantial part of its assets; or (d) be adjudicated a bankrupt or insolvent; or (e) file a voluntary petition in bankruptcy or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors; or (f) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgement, decree or order, entered by a court of competent jurisdiction, which approves a petition seeking its reorganization or appoints a receiver, trustee or liquidator of itself or of all or a substantial part of its assets; or (g) take or omit any other action in order thereby to effect any of the foregoing.
7. (REMEDIES) Notwithstanding any contrary provision or inference herein or elsewhere, should any event of default referred to in Section 6 occur, then or at any time thereafter the holder of this Note may at its option declare this Note to be forthwith due and payable, and the principal of and interest on this Note shall thereupon become and thereafter be immediately due and payable in full without any presentment of this Note, demand for payment or notice of any kind, all of which Maker hereby waives.
8. (INTERPRETATION) Each right, power or privilege specified or referred to in this Note is in addition to any other rights, powers and privileges that Payee may otherwise have or acquire by operation of law, by other contract or otherwise. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power or privilege by Payee shall operate as a waiver thereof. Payee may from time to time grant Maker waivers and consents in respect of this Note, but no such waiver or consent shall be binding upon Payee unless specifically granted in writing, which writing shall be strictly

construed. It is of the essence of the financial accommodations evidenced by this Note that every representation, warranty or certification made in or pursuant to this Note by or on behalf of Maker be true and complete in every material respect and that Maker duly perform and observe every covenant, condition, restriction or agreement contained in this Note. All provisions of this Note shall bind Maker and its successors and assigns and shall benefit Payee and its successors and assigns, including each subsequent holder, if any, of this Note. The several captions to different sections and subsections of this Note are inserted for convenience only and shall be ignored in interpreting the provisions of this Note. If at any time one or more provisions of this Note, any amendment or supplement thereto is or becomes invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Note and all amendments or supplements thereto shall be governed by the Laws of the State of Texas.

DIAMOND SHAMROCK CORPORATE COMPANY

By: _____

Title: _____

Address:

Pay to the order of Diamond Shamrock Corporation,
(without recourse)

Diamond Shamrock Chemicals Company

By: _____

Title: _____

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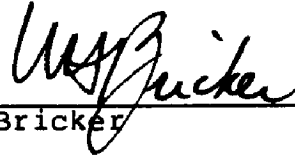
DIAMOND CHEMICALS COMPANY

Written Consent of Members of
the Board of Directors

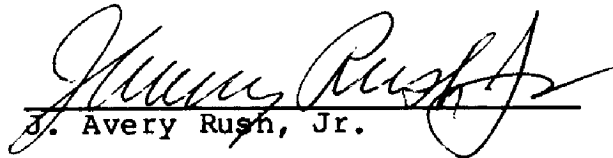
The undersigned, constituting all of the members of the Board of Directors of Diamond Chemicals Company, a Delaware corporation (the "Corporation"), hereby adopt the following resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of State of Delaware.

This instrument shall be filed with the minutes of the proceedings of the Board of Directors of the Corporation.

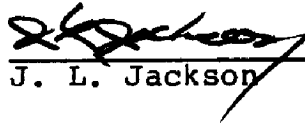
IN WITNESS WHEREOF, the undersigned have executed this instrument as of the 21st day of October, 1983.



W. H. Bricker



J. Avery Rush, Jr.



J. L. Jackson



Richard M. Ahlstrom



James F. Kelley

RESOLVED that the name of the Corporation be changed to Diamond Shamrock Chemicals Company.

FURTHER RESOLVED that the Restated Certificate of Incorporation of the Corporation be amended and restated to read in its entirety as set forth on Exhibit "A" hereto.

FURTHER RESOLVED that the proposed amendment to the Corporation's Restated Certificate of Incorporation be submitted to the Corporation's stockholders for their consideration at an annual or special stockholders meeting in accordance with Section 242(c) of the Delaware General Corporation Law.

FURTHER RESOLVED that the officers of the Corporation and each of them are hereby authorized and directed to take any and all action, and to do any and all things which the officer or officers taking such action or doing such thing may deem necessary or advisable in connection with the foregoing resolutions.

* * *

RESOLVED that there be, and hereby there is, declared from the Corporation's consolidated earnings and earned surplus a dividend of \$58,626,370.67 in the aggregate on the capital stock of the Corporation issued and outstanding at the close of business on November 18, 1983, payable in cash on December 6, 1983.

* * *

RESOLVED that, subject to the approval of the Corporation's sole stockholder, Diamond Shamrock Corporation, the President, any Vice President, the Treasurer, the Secretary, any Assistant Treasurer, any Unit Vice President, any General Manager and any agent or attorney-in-fact heretofore appointed by or in accordance with any resolution of the Board of Directors be, and each of them hereby is, authorized for and on behalf of the Corporation (i) to convey, assign, lease or otherwise transfer and deliver to Diamond Shamrock Refining and Marketing Company, a wholly owned subsidiary of the Corporation ("DSRM"), all properties, rights and other assets owned or leased by the Corporation and used principally in connection with or related principally to the Corporation's refining and marketing business, both

real and personal, tangible and intangible, wherever situated (such properties, rights and other assets related to and used in the exploration and production business being referred to as the "Refining and Marketing Property"), and (ii) to assign and transfer to DSRM all rights, obligations and liabilities of the Corporation of any nature whatsoever constituting a part of, secured by or related to the Refining and Marketing Property.

FURTHER RESOLVED that \$120,662,157 aggregate net value of the Refining and Marketing Property transferred and delivered to DSRM pursuant to these resolutions shall constitute a contribution to the capital of DSRM and the balance of such Refining and Marketing Property shall be transferred and delivered in consideration of the execution and delivery by DSRM of an unsecured promissory note substantially in the form attached to this written consent in principal amount equal to the net book value of the balance of such Refining and Marketing Property transferred and delivered to DSRM pursuant to these resolutions.

FURTHER RESOLVED that, subject to the approval of the Corporation's sole stockholder, Diamond Shamrock Corporation, the President, any Vice President, the Treasurer, any Assistant Treasurer, any Unit Vice President, any General Manager and any agent or attorney-in-fact heretofore appointed by or in accordance with any resolution of the Board of Directors be, and each of them hereby is, authorized for and on behalf of the Corporation (i) to convey, assign, lease or otherwise transfer and deliver to Diamond Shamrock Exploration Company, a wholly owned subsidiary of the Corporation ("DSEC"), all properties, rights and other assets owned or leased by the Corporation and used principally in connection with or related principally to the Corporation's exploration and production business, both real and personal, tangible and intangible, wherever situated (such properties, rights and other assets related to and used in the exploration and production business being referred to as the "Exploration and Production Property"), and (ii) to assign and transfer to DSEC all rights, obligations and liabilities of the Corporation of any nature whatsoever constituting a part of, secured by or related to the Exploration and Production Property.

FURTHER RESOLVED that \$262,874,000 aggregate net value of the Exploration and Production Property transferred and delivered to DSEC pursuant to these resolutions shall constitute a contribution to the capital of DSEC and the balance of such Exploration and Production Property shall be transferred and delivered in consideration of the execution and delivery by DSEC of an unsecured promissory note substantially in the form attached to this written consent in principal amount equal to the net book value of the balance of such Exploration and Production Property transferred and delivered to DSEC pursuant to these resolutions.

FURTHER RESOLVED that, subject to the approval of the Corporation's sole stockholder, Diamond Shamrock Corporation, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, any Unit Vice President, any General Manager and any agent or attorney-in-fact heretofore appointed by or in accordance with any resolution of the Board of Directors be, and each of them hereby is, authorized for and on behalf of the Corporation (i) to convey, assign, lease or otherwise transfer and deliver to Diamond Shamrock Coal Company, a wholly owned subsidiary of the Corporation ("DSCC"), all securities, properties, rights and other assets owned or leased by the Corporation and used principally in connection with or related principally to the Corporation's coal business, both real and personal, tangible and intangible, wherever situated (such securities, properties, rights and other assets related to and used in the coal business being referred to as the "Coal Property"), and (ii) to assign and transfer to DSCC all rights, obligations and liabilities of the Corporation of any nature whatsoever constituting a part of, secured by or related to the Coal Property.

FURTHER RESOLVED that the aggregate net value of the Coal Property transferred and delivered to DSCC pursuant to these resolutions shall constitute a contribution to the capital of DSCC.

FURTHER RESOLVED that the persons specified above be, and each of them hereby is, authorized, directed and empowered to make any and all decisions and take any and all actions which such person may deem necessary, appropriate or desirable regarding the selection for conveyance, assignment, transfer or lease of

properties, rights or other assets owned by the Corporation to any of DSRM, DSEC and DSCC in accordance with the foregoing resolutions (including the designation of any such property, right or other asset as being used principally in connection with or related principally to one of the Corporation's businesses rather than another) and any conveyance, assignment, transfer or lease made in accordance with this and all foregoing resolutions being conclusively evidenced by his execution of any such conveyance, assignment, transfer or lease.

FURTHER RESOLVED that the persons specified above be, and each of them hereby is, authorized, directed and empowered to take any and all action, including, without limitation, perfecting the conveyance of real property, and to execute and deliver any and all agreements, deeds, conveyances, leases, assignments, certificates, notices and other documents relating to the conveyance, assignment, transfer, delivery and assumption of the Refining and Marketing Property, the Exploration and Production Property and the Coal Property and the above specified rights, obligations and liabilities of the Corporation, which such person taking such action, with advice of counsel, may deem necessary, appropriate or desirable in connection with the transactions contemplated by the foregoing resolutions, and all that such person may do under or by reason of this resolution is hereby confirmed and approved.

FURTHER RESOLVED that any specific resolution of the Board required for the purpose of carrying out the purpose and intent of the foregoing resolutions is hereby deemed adopted and may be certified by the Secretary as having been adopted by the Board this date provided that a copy thereof is inserted in the minute book following these 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 an agreement terminating the existing employment agreements and related letter agreements with the following principal officers of the Corporation:

Richard M. Ahlstrom
Richard W. Arp
W.H. Bricker

Gerald G. Carlton
Riley M. Epps
Claude B. Groves
J.L. Jackson
James F. Kelley
C.D. McDoulett, Jr.
Donald C. Mielke
J. Avery Rush, Jr.
Charles E. Stewart

* * *

RESOLVED that Marcel J. Dumeny be and hereby is elected General Counsel and Assistant Secretary of the Corporation.

* * *

RESOLVED that the following named persons, and each of them, hereby are authorized and empowered to execute, in the name of and on behalf of the Corporation, all applications, notices, bonds and other instruments, claims, offers in compromise, letters, writings, and papers, and to perform all acts for the Corporation necessary to comply with the laws and regulations relating to alcohol, tobacco, firearms, explosives, and similar matters enforced by the Alcohol and Tobacco Tax Division of the Internal Revenue Service or any successor agency; and that the Board of Directors hereby authorizes said persons to receive on behalf of the Corporation any and all notices, papers and letters from said Division or any successor agency in connection with all such matters, and hereby gives and grants to said persons full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, and hereby ratifies and confirms all said persons shall lawfully do or cause to be done by virtue hereof; and that in execution of any document hereinabove referred to said persons shall affix the seal of the Corporation thereto:

W.W. Ban	N. Martello
P.T. Blanton	W.A. Mitchell
J.F. Bodi	A.J. Novak
W.E. Burhans	E.A. Rowe
L. Hurn	J.N. Taylor
F.C. Leitert	D.J. Wainis

\$361,983,771.00

November 1, 1983

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Diamond Shamrock Refining and Marketing Company, a Delaware corporation ("Maker") hereby promises to pay to Diamond Chemicals Company, a Delaware corporation, or order, ("Payee") on demand, at its office at 717 North Harwood Street, Dallas, Dallas County, Texas, the sum of Three Hundred Sixty-One Million, Nine Hundred Eighty-Three Thousand Seven Hundred Seventy One and no/100 Dollars (\$361,983,771.00) in lawful money of the United States of America, plus interest on the unpaid balance thereof, accruing on the last day of each month this Note remains outstanding and on the date of payment of all outstanding principal hereof at a daily rate computed by dividing an annual rate equal to 12% by 365 (or 366 in any leap year during which any principal hereof shall be outstanding).

1. (SCHEDULE OF PAYMENTS) Interest on this Note shall be repayable in equal installments on November 30, 1983 and on the last day of each succeeding month until the entire unpaid principal and accrued interest thereon shall be paid in full.

2. (WAIVERS) The Maker and all endorsers, sureties and guarantors of this Note hereby severally waive presentment for payment, protest, notice of protest, diligence in collecting, the bringing of any suit against any party and any notice of or defense on account of any extensions, renewals, partial payments or changes in any manner of or in this Note or in any of its terms, provisions and covenants, or any releases or substitutions of any security, or any delay, indulgence or other act of any trustee or any holder hereof, whether before or after demand for payment shall be made.

3. (PREPAYMENTS) Maker may prepay this Note in full or in part without premium or penalty, provided that Maker shall deliver to Payee at its address set out above 30 days' written notice specifying the amount and date of such prepayment.

4. (COVENANTS) Maker agrees to perform and observe each of the following:

4.1 (RECORDS) Maker will at all times maintain true and complete records and books of account.

4.2 (FINANCIAL STATEMENTS) Maker will furnish to Payee forthwith upon each written request of Payee, such information about Maker's financial condition, operation and properties as Payee may from time to time reasonably request, which information shall be submitted in form and detail satisfactory to Payee and certified by a financial officer of Maker.

4.3 (FEES AND COSTS) If this Note is placed in the hands of an attorney for collection after default, or if all or any part of the indebtedness represented hereby is proved, established or collected in any court or in any bankruptcy or receivership, Maker and all endorsers, sureties and guarantors of this Note jointly and severally agree to pay reasonable attorneys' fees and collection costs to the holder hereof in addition to the principal and interest payable hereunder.

5. (WARRANTIES) Maker hereby represents and warrants as follows:

5.1 (EXISTENCE) Maker is a corporation duly organized and validly existing under Delaware law and is in good standing in the office of the Delaware Secretary of State.

5.2 (RIGHT TO ACT) The execution and delivery of this Note confers a direct pecuniary benefit upon Maker and by executing and delivering this Note and all agreements securing same (together the "Documents") and by performing and observing the provisions thereof, Maker will not violate any existing provision of its articles of incorporation, code of regulations or bylaws or any applicable law or violate or otherwise become in default under any existing contract or other obligation binding upon Maker. The officer executing and delivering the Documents on behalf of Maker has been duly authorized to do so, and the Documents are legally binding upon Maker in every respect.

6. (DEFAULTS) Each of the following shall constitute an event of default hereunder:

6.1 (PAYMENTS) If any principal of or interest on this Note shall not be paid within ten (10) days after the same shall be due and payable.

6.2 (AGREEMENTS) If maker shall fail or omit to perform and observe any covenant, condition, restriction or agreement contained in the Documents or any other agreement between Maker and Payee.

- 6.3 (WARRANTIES) If any representation, warranty or certification made herein or pursuant hereto, or any other information furnished by Maker to Payee or to any other holder hereof, shall be in any material respect false or erroneous.
- 6.4 (MAKER'S SOLVENCY) If Maker shall (a) discontinue business; or (b) make a general assignment for the benefit of creditors; or (c) apply for or consent to the appointment of a receiver, a trustee or liquidator of itself or all or a substantial part of its assets; or (d) be adjudicated a bankrupt or insolvent; or (e) file a voluntary petition in bankruptcy or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors; or (f) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgement, decree or order, entered by a court of competent jurisdiction, which approves a petition seeking its reorganization or appoints a receiver, trustee or liquidator of itself or of all or a substantial part of its assets; or (g) take or omit any other action in order thereby to effect any of the foregoing.
7. (REMEDIES) Notwithstanding any contrary provision or inference herein or elsewhere, should any event of default referred to in Section 6 occur, then or at any time thereafter the holder of this Note may at its option declare this Note to be forthwith due and payable, and the principal of and interest on this Note shall thereupon become and thereafter be immediately due and payable in full without any presentment of this Note, demand for payment or notice of any kind, all of which Maker hereby waives.
8. (INTERPRETATION) Each right, power or privilege specified or referred to in this Note is in addition to any other rights, powers and privileges that Payee may otherwise have or acquire by operation of law, by other contract or otherwise. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power or privilege by Payee shall operate as a waiver thereof. Payee may from time to time grant Maker waivers and consents in respect of this Note, but no such waiver or

consent shall be binding upon Payee unless specifically granted in writing, which writing shall be strictly construed. It is of the essence of the financial accommodations evidenced by this Note that every representation, warranty or certification made in or pursuant to this Note by or on behalf of Maker be true and complete in every material respect and that Maker duly perform and observe every covenant, condition, restriction or agreement contained in this Note. All provisions of this Note shall bind Maker and its successors and assigns and shall benefit Payee and its successors and assigns, including each subsequent holder, if any, of this Note. The several captions to different sections and subsections of this Note are inserted for convenience only and shall be ignored in interpreting the provisions of this Note. If at any time one or more provisions of this Note, or any amendment or supplement thereto is or becomes invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Note and all amendments or supplements thereto shall be governed by the Laws of the State of Texas.

DIAMOND SHAMROCK REFINING AND MARKETING
COMPANY

By: Riley W. Egan
Title: President

Pay to the order of Diamond Shamrock Corporation,
(without recourse)

Diamond Chemicals Company

By: _____

Title: _____

0114L

\$788,619,377.00

November 1, 1983

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned Diamond Shamrock Exploration Company, a Delaware corporation ("Maker") hereby promises to pay to the order of Diamond Chemicals Company, a Delaware corporation, ("Payee") on demand, at its office at 717 North Harwood Street, Dallas, Dallas County, Texas, the sum of Seven Hundred Eighty-Eight Million, Six Hundred Nineteen Thousand Three Hundred Seventy-Seven and no/100 Dollars (\$788,619,377.00) in lawful money of the United States of America, plus interest on the unpaid balance thereof, accruing on the last day of each month this Note remains outstanding and on the date of payment of all outstanding principal hereof at a daily rate computed by dividing an annual rate equal to 12% by 365 (or 366 in any leap year during which any principal hereof shall be outstanding).

1. (SCHEDULE OF PAYMENTS) Interest on this Note shall be repayable in equal installments on November 30, 1983 and on the last day of each succeeding month until the entire unpaid principal and accrued interest thereon shall be paid in full.

2. (WAIVERS) The Maker and all endorsers, sureties and guarantors of this Note hereby severally waive presentment for payment, protest, notice of protest, diligence in collecting, the bringing of any suit against any party and any notice of or defense on account of any extensions, renewals, partial payments or changes in any manner of or in this Note or in any of its terms, provisions and covenants, or any releases or substitutions of any security, or any delay, indulgence or other act of any trustee or any holder hereof, whether before or after demand for payment shall be made.

3. (PREPAYMENTS) Maker may prepay this Note in full or in part, provided that Maker shall deliver to Payee at its address set out above 30 days' written notice specifying the amount and date of such prepayment.

4. (COVENANTS) Maker agrees to perform and observe each of the following:

4.1 (RECORDS) Maker will at all times maintain true and complete records and books of account.

- 4.2 (FINANCIAL STATEMENTS) Maker will furnish to Payee forthwith upon each written request of Payee, such information about Maker's financial condition, operation and properties as Payee may from time to time reasonably request, which information shall be submitted in form and detail satisfactory to Payee and certified by a financial officer of Maker.
- 4.3 (FEES AND COSTS) If this Note is placed in the hands of an attorney for collection after default, or if all or any part of the indebtedness represented hereby is proved, established or collected in any court or in any bankruptcy or receivership, Maker and all endorsers, sureties and guarantors of this Note jointly and severally agree to pay reasonable attorneys' fees and collection costs to the holder hereof in addition to the principal and interest payable hereunder.
5. (WARRANTIES) Maker hereby represents and warrants as follows:
- 5.1 (EXISTENCE) Maker is a corporation duly organized and validly existing under Delaware law and is in good standing in the office of the Delaware Secretary of State.
- 5.2 (RIGHT TO ACT) The execution and delivery of this Note confers a direct pecuniary benefit upon Maker and by executing and delivering this Note and all agreements securing same (together the "Documents") and by performing and observing the provisions thereof, Maker will not violate any existing provision of its articles of incorporation, code of regulations or bylaws or any applicable law or violate or otherwise become in default under any existing contract or other obligation binding upon Maker. The officer executing and delivering the Documents on behalf of Maker has been duly authorized to do so, and the Documents are legally binding upon Maker in every respect.
6. (DEFAULTS) Each of the following shall constitute an event of default hereunder:
- 6.1 (PAYMENTS) If any principal of or interest on this Note shall not be paid within ten (10) days after the same shall be due and payable.
- 6.2 (AGREEMENTS) If maker shall fail or omit to perform and observe any covenant, condition, restriction or agreement contained in the Documents or any other agreement between Maker and Payee.

- 6.3 (WARRANTIES) If any representation, warranty or certification made herein or pursuant hereto, or any other information furnished by Maker to Payee or to any other holder hereof, shall be in any material respect false or erroneous.
- 6.4 (MAKER'S SOLVENCY) If Maker shall (a) discontinue business; or (b) make a general assignment for the benefit of creditors; or (c) apply for or consent to the appointment of a receiver, a trustee or liquidator of itself or all or a substantial part of its assets; or (d) be adjudicated a bankrupt or insolvent; or (e) file a voluntary petition in bankruptcy or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors; or (f) suffer or permit to continue unstayed and in effect for sixty (60) consecutive days any judgement, decree or order, entered by a court of competent jurisdiction, which approves a petition seeking its reorganization or appoints a receiver, trustee or liquidator of itself or of all or a substantial part of its assets; or (g) take or omit any other action in order thereby to effect any of the foregoing.
7. (REMEDIES) Notwithstanding any contrary provision or inference herein or elsewhere, should any event of default referred to in Section 6 occur, then or at any time thereafter the holder of this Note may at its option declare this Note to be forthwith due and payable, and the principal of and interest on this Note shall thereupon become and thereafter be immediately due and payable in full without any presentment of this Note, demand for payment or notice of any kind, all of which Maker hereby waives.
8. (INTERPRETATION) Each right, power or privilege specified or referred to in this Note is in addition to any other rights, powers and privileges that Payee may otherwise have or acquire by operation of law, by other contract or otherwise. No course of dealing in respect of, nor any omission or delay in the exercise of, any right, power or privilege by Payee shall operate as a waiver thereof. Payee may from time to time grant Maker waivers and consents in respect of this Note, but no such waiver or consent shall be binding upon Payee unless specifically granted in writing, which writing shall be strictly

construed. It is of the essence of the financial accommodations evidenced by this Note that every representation, warranty or certification made in or pursuant to this Note by or on behalf of Maker be true and complete in every material respect and that Maker duly perform and observe every covenant, condition, restriction or agreement contained in this Note. All provisions of this Note shall bind Maker and its successors and assigns and shall benefit Payee and its successors and assigns, including each subsequent holder, if any, of this Note. The several captions to different sections and subsections of this Note are inserted for convenience only and shall be ignored in interpreting the provisions of this Note. If at any time one or more provisions of this Note, any amendment or supplement thereto is or becomes invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Note and all amendments or supplements thereto shall be governed by the Laws of the State of Texas.

DIAMOND SHAMROCK EXPLORATION COMPANY

By: _____

Title: _____

Address:

Pay to the order of Diamond Shamrock Corporation,
(without recourse)

Diamond Chemicals Company

By: _____

Title: _____

0095L

RESTATED CERTIFICATE OF INCORPORATION

DIAMOND CHEMICALS COMPANY, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is Diamond Chemicals Company and the name under which the Corporation was originally incorporated is Diamond Alkali Company.

The date of filing of its original Certificate of Incorporation with the Secretary of State was December 28, 1928.

2. This Restated Certificate of Incorporation hereby restates, integrates and further amends the Certificate of Incorporation of the Corporation by amending Articles First, Third and Fourth so that, as amended, they will read in their entirety as follows:

"FIRST": The name of the Corporation is Diamond Shamrock Chemicals Company."

"THIRD": The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware."

"FOURTH": The total authorized capital stock the Corporation is authorized to issue is 1,000 shares of Common Stock, \$1.00 par value.

Each holder of shares of Common Stock of the Corporation entitled to vote shall have one vote for each share of Common Stock thereof held.

The Corporation shall be entitled to treat the person in whose name any share of its Common Stock is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such share of Common Stock on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable laws."

This Restated Certificate of Incorporation hereby restates, integrates and further amends the Certificate of Incorporation of the Corporation by amending Articles EIGHTH, NINTH and TWELFTH so that, as amended, they will become Articles FIFTH, SIXTH and SEVENTH respectively, and read in their entirety as follows:

"FIFTH": In furtherance of, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized and empowered:

(a) to make and alter the By-Laws of the Corporation; provided, however, that the By-Laws made by the Board of Directors under the powers hereby conferred may be altered or repealed by the Board of Directors or by the stockholders having voting powers with respect thereto; and

(b) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation or any of them, shall be open to inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the Corporation except as conferred by applicable law.

The Corporation may in its By-Laws confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law."

"SIXTH: The stockholders and Board of Directors of the Corporation shall have power to hold their meetings and to have one or more offices of the Corporation within or without the State of Delaware, and to keep the books of the Corporation outside of the State of Delaware at such place or places as may from time to time be designated by the Board of Directors."

"SEVENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation in the manner now or hereafter prescribed by applicable law and this Restated Certificate of Incorporation and all rights conferred upon stockholders herein are created subject to this reservation."

This Restated Certificate of Incorporation hereby deletes Articles FIFTH, SIXTH, TENTH and ELEVENTH in their entirety.

3. The text of this Restated Certificate of Incorporation as amended or supplemented heretofore is further amended to read as herein set forth in full:

FIRST: The name of the Corporation is Diamond Shamrock Chemicals Company.

SECOND: The registered office of the Corporation in the State of Delaware is located at 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total authorized capital stock the Corporation is authorized to issue is 1,000 shares of Common Stock, \$1.00 par value.

Each holder of shares of Common Stock of the Corporation entitled to vote shall have one vote for each share of Common Stock thereof held.

The Corporation shall be entitled to treat the person in whose name any share of its Common Stock is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to, or interest in, such share of Common Stock on the part of any other person, whether or not the Corporation shall have notice thereof, except as expressly provided by applicable laws.

FIFTH: In furtherance of, and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized and empowered:

(a) to make and alter the By-Laws of the Corporation; provided, however, that the By-Laws made by the Board of Directors under the powers hereby conferred may be altered or repealed by the Board of Directors or by the stockholders having voting powers with respect thereto; and

(b) from time to time to determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the Corporation or any of them, shall be open to inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the Corporation, except as conferred by applicable law.

The Corporation may in its By-Laws confer powers upon its Board of Directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon the Board of Directors by applicable law.

SIXTH: The stockholders and Board of Directors of the Corporation shall have power to hold their meetings and to have one or more offices of the Corporation within or without the State of Delaware, and to keep the books of the Corporation outside of the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

SEVENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation in the manner now or hereafter prescribed by applicable law and this Restated Certificate of Incorporation and all rights conferred upon stockholders herein are created subject to this reservation.

4. This Restated Certificate of Incorporation was duly adopted by a majority vote of stockholders of the Corporation in accordance with Sections 242 and 245 of The General Corporation Law of the State of Delaware.

5. This Restated Certificate of Incorporation shall become effective on November 1, 1983.

IN WITNESS WHEREOF, said Diamond Chemicals Company has caused this Restated Certificate of Incorporation to be signed by J. F. Kelley, its Vice President, and its corporate seal to be affixed and attested by T. J. Fretthold, its Secretary, this 21st day of October, 1983.

DIAMOND CHEMICALS COMPANY

By _____
Vice President

(CORPORATE SEAL)

ATTEST:

By _____
Secretary

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 21st day of October, 1983, personally appeared before me the undersigned, a Notary Public, in and for said County, J. F. Kelley, known to me to be a Vice President of Diamond Chemicals Company, a Delaware corporation, who acknowledged that he did execute the Restated Certificate of Incorporation as such officer for and on behalf of Diamond Chemicals Company, and that the same is his free act and deed as such officer and the free and corporate act and deed of Diamond Chemicals Company and that the facts stated therein are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Dallas, Texas this 21st day of October, 1983.

Notary Public

(NOTARIAL SEAL)

0322T

DIAMOND CHEMICALS COMPANY

Written Consent of Members of the
Board of Directors

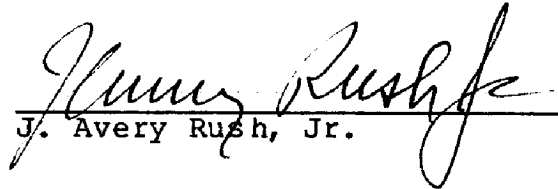
The undersigned, constituting all of the members of the Board of Directors of Diamond Chemicals Company, a Delaware corporation (the "Corporation"), hereby adopt the resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of the State of Delaware.

This instrument shall be filed with the minutes of the proceedings of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of September 15, 1983.



W. H. Bricket



J. Avery Rush, Jr.



J. L. Jackson



Richard M. Ahlstrom



James F. Kelley

RESOLVED that the Vice President - Finance, Treasurer or any Assistant Treasurer of the Corporation be and hereby he is authorized from time to time to open accounts with members ("Brokers") of the New York Stock Exchange, and of other stock and commodity exchanges, to purchase, sell (including short sales) and/or deal in any and all stocks, bonds, put and call options, other securities and choses in action (including, but not exclusively, debentures, notes, script, participation certificates, rights, subscriptions, option warrants, when issued securities, repurchase and reverse repurchase agreements, certificates of deposit, choses in action, evidences of indebtedness, certificates of indebtedness, certificates of interest of any and every kind in nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise) and any and commodities and/or contracts for the future delivery thereof, and that all orders and instructions written or oral upon any such account be given by either the Vice President - Finance, Treasurer or any Assistant Treasurer, and each of them is hereby authorized and directed to purchase and/or sell and/or deal in, through any such Broker, on behalf of the Corporation, any all stocks, bonds, other securities, choses in action, and/or commodities and/or contracts for future delivery thereof, that either of them may deem necessary or advisable for the Corporation, for cash and/or margin and also to make payment and to sign checks or drafts drawn upon the funds of the Corporation, and to borrow and lend monies for and/or in connection with the transactions for the Corporation and to also pledge as collateral for loans to be made by or through any such Broker in connection with such purchases, sales, and/or transactions and otherwise, any stocks, bonds, other securities, choses in action, commodities, and/or contracts for the future delivery thereof, and/or any other assets belonging to the Corporation, and also, for the Corporation, to withdraw from any such Broker from time to time, to deliver or accept delivery of and/or to borrow and/or to endorse, and/or to direct the transfer of record title of, and all stocks, bonds, other securities, choses in action, and/or commodities and/or contracts for the future delivery thereof, and/or assets or funds that may be carried by any such Broker for the account of the Corporation.

FURTHER RESOLVED that each of the aforesaid officers of the Corporation, be and hereby is authorized and directed to execute and deliver on behalf of the Corporation any customer's agreement required by any such Broker, and to enter into, execute and deliver, any all other agreements, documents, releases and writings that may be required by any such Broker for the opening and/or continuing of any such account in connection with any transactions relating to such account.

FURTHER RESOLVED that the brokerage account resolutions approved by the Directors of the Corporation on November 16, 1967 are hereby rescinded and repealed.

RESOLVED that the following named persons, and each of them, are hereby authorized and empowered to execute in the name and on behalf of the Corporation, all applications, forms, notices and other instruments, writings and papers, and to perform all administrative acts for this Corporation necessary to comply with all Environmental and Safety and Health, federal, state and local or regional laws, statutes, ordinances or regulations:

Dr. Donald W. Hillman - Corporate Medical Director
Dr. Morris Chelsky - Associate Medical Director
Dr. James B. Worthington - Director, Environmental
Affairs
William C. Hutton - Corporate Manager,
Environmental Affairs
Evan E. Campbell - Corporate Manager, Industrial
Hygiene
J. Gary Cizek - Corporate Manager, Safety
Bruce H. Brubaker - Manager, Regulatory Analyses
Laverne R. Heble - Manager, Regional Environmental
Services
Barry H. Christiansen - Field Services Manager,
Environmental
Edward E. Nobel - Field Services Manager,
Environmental

FURTHER RESOLVED that the Environmental and Safety and Health resolutions approved by the Administration Committee of the Board of Directors of the Corporation on October 1, 1982 are hereby rescinded and repealed.

RESOLVED that the following named persons hereby are authorized and empowered to execute, in the name and on behalf of the Corporation, all documents prescribed by law for filing, maintaining, registering or renewing patents, trademarks and copyrights of the Corporation in any country in the world, and in connection therewith to execute applications, petitions, declarations, affidavits, and similar instruments as well as trademark registered user agreements and declarations, incidental interparty trademark consents, undertakings and promises, and other letters, writing, claims and papers required by Patent, Trademark and/or Copyright Offices, Offices of Industrial Property, and other official tribunals in any country of the world, and to grant or to revoke Powers of Attorney, authorizations and entries of address for service thereof, and said persons and each of them are hereby granted full power and authority to do and perform all acts required to seek, register and maintain the rights of the Corporation and applications for, and grants of patents, trademarks and copyrights, in the acts of said persons lawfully done or caused to be done by virtue thereof are hereby ratified and confirmed; and that in execution of any document here and above referred to, said persons and each of them shall be authorized and empowered to cause the seal of the Corporation to be affixed thereto:

J. Lyndon Hill
Diane L. Hughes
William S. Skinner
Timothy T. Tinkler

FURTHER RESOLVED that the patent matters resolutions approved by the Administration Committee of the Board of Directors of the Corporation on October 1, 1982 are hereby rescinded and repealed.

DIAMOND CHEMICALS COMPANY

Unanimous Written Consent
of the Sole Stockholder in lieu of Meeting

Pursuant to Section 228 of the General Corporation Law of the State of Delaware, the undersigned, being the holder of all of the issued and outstanding shares of Diamond Chemicals Company (the "Corporation"), does hereby adopt the following resolutions with the same force and effect as if they had been unanimously adopted at a duly convened meeting of the sole stockholder of the Corporation:

RESOLVED that the entire Board of Directors of Diamond Chemicals Company be and hereby is removed from office, effective immediately.

FURTHER RESOLVED that Bylaws 5, 23 and 30 of Diamond Chemicals Company be amended to read in full as follows:

5. Special Meetings. Special meetings of the stockholders for any purpose may be called by the Chairman of the Board, and shall be promptly called by the Chairman of the Board or in his absence by the Secretary at the written request of a majority of the Board. The request shall be sent to the Chairman of the Board and the Secretary and shall state the purposes of the proposed meeting. Special meetings of the stockholders for the purpose of removing directors may also be called in the manners provided for in the certificate of incorporation. Business transacted at special meetings shall be confined to the purposes stated in the notice.

23. Qualifications, Term, Number. Each director shall hold his office until his successor is elected and qualified or until the earlier of his retirement, resignation or removal. There shall be no fewer than four nor more than ten directors, as determined by the Board.

30. Quorum. At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board. Directors may participate in any meeting of the Board by means of conference telephone or similar communications equipment by means of which all

persons participating in the meeting may hear one another, and such participation shall constitute presence at such meeting. If a quorum is not present, the directors present may adjourn the meeting without notice other than announcement until a quorum is present.

FURTHER RESOLVED that Bylaws 12, 13, 14, 15, 16, 17, 18, and 19 of Diamond Chemicals Company together with the headings "CONSENT TO CORPORATE ACTION" and "NOMINATIONS OF DIRECTOR CANDIDATES" be deleted.

FURTHER RESOLVED that the remaining Bylaws be revised and renumbered to reflect the deletion of Bylaws 12, 13, 14, 15, 16, 17, 18, and 19.

FURTHER RESOLVED that the exact number of Directors who shall constitute the Board of Directors shall be fixed at five (5), until such time as it may be changed in accordance with the Bylaws.

FURTHER RESOLVED that the following persons be and hereby are elected to serve as directors of Diamond Chemicals Company until the next annual meeting of stockholders of Diamond Chemicals Company and until their respective successors are duly elected:

W. H. Bricker
J. Avery Rush, Jr.
J. L. Jackson
Richard M. Ahlstrom
James F. Kelley

FURTHER RESOLVED that W. H. Bricker be and hereby is elected Chairman of the Board and Chief Executive Officer of the Corporation.

FURTHER RESOLVED that J. Avery Rush, Jr. is elected Vice Chairman of the Corporation.

IN WITNESS WHEREOF, the undersigned has caused this written consent to be executed by its officers hereunto duly authorize this 15th day of September, 1983.

DIAMOND SHAMROCK CORPORATION

By *JC Miller*

ATTEST:

P. J. Vetter
Secretary

0187T

MINUTES of the Regular Meeting
of the Board of Directors of
Diamond Shamrock Corporation
held in the Adventure Room,
Hotel Captain Cook, Anchorage,
Alaska, on Thursday, July 21,
1983, at 8:30 a.m.

PRESENT: Messrs. Bricker, Brown, Coldwell, Edwards,
Hay, Holmes, Jackson, Kimbell, and Rush.

ABSENT: Ames, Barnes and York

Also present were Messrs. Ahlstrom, Arp,
Carlton, Epps, Garbesi, Groves, Kelley, Mielke, and
Stewart.

The Chairman welcomed the directors to
Alaska and expressed his appreciation for their
participation in the activities related to the meeting,
including the Beaufort Sea and Diamond Chuitna tours.

At the request of the Chairman, Mr. Ahlstrom,
Vice President, Finance, reported on the Corporation's
financial position as of June 30th and the results of
operations for the quarter then ended.

Thereafter, upon motion duly made, seconded and
unanimously carried it was:

RESOLVED that the financial statements of
the Corporation for the months of April, May
and June, 1983, be and hereby are received,
identified for the Corporation's permanent
file and filed herein.

Mr. Ahlstrom then introduced Mr. Arp, Controller,
who discussed and compared the successful efforts and the
full cost accounting methods used to report exploration
and production results.

Mr. Ahlstrom stated that the Board of Directors was scheduled to give consideration to the declaration of the regular quarterly dividend on the Corporation's \$2.07 Preferred Stock and Common Stock. After discussion, upon motion duly made, seconded and unanimously carried, the Board of Directors adopted the following resolutions:

RESOLVED that there be, and there hereby is, declared from the Corporation's consolidated earnings and earned surplus a dividend of 8-1/2 cents per share for the quarterly period ending September 14, 1983, on all shares of \$2.07 Cumulative Convertible Preferred Stock of the Corporation issued and outstanding at the close of business on August 19, 1983, payable in cash on September 15, 1983, and that August 19, 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 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 August 19, 1983, payable in cash on September 7, 1983, and that August 19, 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. Jackson, President and Chief Operating Officer, asked each of the Unit Presidents to report to the Board of Directors on the operations of their respective units for the second quarter of 1983 which each of them did.

Mr. Carlton, Vice President, Administration, requested that the Board authorize the amendment of the Corporation's Long Term Disability Plan, Retirement Income Plan, Employee Stock Ownership Plan and Employee Savings Plan (and the trust agreements related to such plans) to provide for the participation in such plans of certain employees of Amherst Coal Company and Hatfield Terminals Incorporated. In addition, Mr. Carlton asked for Board approval of certain amendments to the Long Term Disability Plan relating to benefits, premiums and coverage.

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

RESOLVED that the Long Term Disability Committee of the Corporation be and hereby is authorized and empowered to approve and adopt changes to the Long Term Disability Plan of the Corporation, and the trust agreements made pursuant thereto, to provide for, among other things, an initial benefit period of one year, lower premium rates and a more extensive definition of qualifying disabilities.

FURTHER RESOLVED that the Long Term Disability Committee, Retirement Committee, Employee Stock Ownership Plan Committee and Employee Savings Plan Committee of the Corporation be and hereby are authorized and empowered to approve and adopt changes to the Long Term Disability Plan, Retirement Income Plan, Employee Stock Ownership Plan and Employee Savings Plan, respectively, of the Corporation to provide that: (a) certain employees of the businesses operated by Amherst Coal Company and Hatfield Terminals Incorporated may participate in said plans; (b) the existing plans, as

appropriate, applicable to such employees be merged into said plans of the Corporation; and (c) the trust funds established under said plans of the Corporation accept the transfer of assets, as appropriate, from funds established under existing plans applicable to such employees.

FURTHER RESOLVED that said committees and the Pension Investment Committee of the Corporation be and hereby are authorized and empowered to accept the transfer of assets into the respective trust funds as may be appropriate pursuant to the immediately preceding resolution.

FURTHER RESOLVED that the said plans as amended and/or restated pursuant to the foregoing resolutions be and the same hereby are deemed approved and adopted by the Corporation, provided a copy of each of such amendment or restatement be inserted in the permanent records of the Corporation.

FURTHER RESOLVED that the said committees of the Corporation be and hereby are authorized and empowered to approve and adopt such rules and guidelines with respect to the implementation of the aforesaid amendments to said respective plans as are necessary or appropriate.

FURTHER RESOLVED that each of the appropriate officers of the Corporation and each member of said committees be and each of them hereby is authorized for and in the name of the Corporation to prepare, execute, certify and deliver all documents, certificates, consents and papers, and to do and cause to be done all acts and things, as may be requested or required or as any of such persons may deem desirable, in order to carry out the intent of the foregoing resolutions, all such documents, certificates, consents and papers to be in such form as such person executing the same shall approve, and all that such officers and members may do under or by reason of this or the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that such further specific resolutions as may be required in connection with the approval and adoption of changes to the aforesaid plans as contemplated above be and hereby they are deemed adopted and such resolutions may be certified by the Secretary of the Corporation as having been adopted at this meeting provided that a copy thereof be attached to the minutes of this meeting.

Mr. Kelley, Vice President and General Counsel, discussed the status of the Natomas Company acquisition including certain lawsuits brought on behalf of the preferred shareholders of Natomas attempting to enjoin the Combination. After responding to questions concerning the acquisition and related litigation, Mr. Kelley requested that the Board of Directors approve certain amendments to the Corporation's benefit plans to provide that, subject to the consummation of the combination of the Corporation and Natomas, employees of the holding company resulting from the transaction and employees of Natomas may be granted awards under such plans and that any outstanding rights and any future awards under such plans with respect to the Common Stock of the Corporation relate to the common stock of the new holding company.

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

RESOLVED that the Compensation Committee of the Board of Directors and Long Term Disability Committee, Retirement Committee, Employee Stock Ownership Plan Committee and

Employee Savings Plan Committee of the Corporation be and hereby are authorized and empowered to approve and adopt changes to the 1971 Stock Option Plan, 1980 Long-Term Incentive Plan, 1976 Falcon Seaboard Stock Option Plan, Long Term Disability Plan, Retirement Income Plan, Employee Stock Ownership Plan and Employee Savings Plan of the Corporation to provide that, subject to the consummation of the combination between the Corporation and Natomas Company ("Natomas") pursuant to the Plan and Agreement of Reorganization, as amended, dated May 30, 1983, the New Diamond Corporation (as described in said Plan and Agreement) assume each of said plans and the Corporation continue as a participating employer under said plans.

FURTHER RESOLVED that functions under the said plans of the Corporation currently vested in the Compensation Committee of the Board of Directors of the Corporation be and hereby are vested in the Compensation Committee of the Board of Directors of said New Diamond Corporation.

FURTHER RESOLVED that the said plans as amended and/or restated pursuant to the foregoing resolutions be and the same hereby are deemed approved and adopted by the Corporation, provided a copy of each such amendment or restatement be inserted in the permanent records of the Corporation.

FURTHER RESOLVED that the said committees of the Corporation be and hereby are authorized and empowered to approve and adopt such rules and guidelines with respect to the implementation of the aforesaid changes to said respective plans as are necessary or appropriate.

FURTHER RESOLVED that each of the appropriate officers of the Corporation and each member of said committees be and each of them hereby is authorized for and in the name of the Corporation to prepare, execute, certify and deliver all documents, certificates, consents and papers, and to do and cause to be done all acts and things, as

may be requested or required or as any of such persons may deem desirable in order to carry out the intent of the foregoing resolutions, all such documents, certificates, consents and papers to be in such form as such person executing the same shall approve, and all that such officers and members may do under or by reason of this or the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that such further specific resolutions as may be required in connection with the approval and adoption of changes to the aforesaid plans as contemplated above be and hereby they are deemed adopted and such resolutions may be certified by the Secretary of the Corporation as having been adopted at this meeting provided that a copy thereof be attached to the minutes of this meeting.

Mr. Kelley then stated that it would be necessary at this time to adopt certain resolutions relating to the Special Meeting of Stockholders to be held on August 30, 1983 to consider the Combination of the Corporation and Natomas.

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

RESOLVED that B. W. Bedy and W. Renz be, and hereby they are appointed as Inspectors of Election for the Special Meeting of Stockholders of the Corporation to be held on August 30, 1983 in San Francisco, California, and that all prior appointments to the position of Inspector of Election are hereby revoked.

RESOLVED that the statement of rules for the conduct of the Special Meeting, a copy of which is hereby ordered to be placed in the

minute book following the minutes of this meeting be, and hereby is approved and adopted.

RESOLVED that, subject to the adoption of the Reorganization Agreement, as amended, dated May 30, 1983, between the Corporation and Natomas Company and the Merger Agreement, dated as of July 20, 1983, among the Corporation, D Sub, Inc. and New Diamond Corporation by the stockholders of the Corporation, and subject further to the following amendment being approved by the stockholders of the Corporation, the Restated Certificate of Incorporation of the Corporation be amended by changing the First Article thereof so that as amended the Article shall be and read as follows:

"The name of the Corporation is Diamond Chemicals Company."

FURTHER RESOLVED that the proper officers of the Corporation are authorized to amend the Restated Certificate of Incorporation of the Corporation incorporating the above amendment with the Secretary of State of Delaware.

Mr. Jackson presented the statements of oil and gas production expenditures and new and supplemental appropriations of the Corporation for the months of April, May and June, 1983, which were ordered identified for the Corporation's permanent file and filed therein.

After discussion the Board of Directors, upon motion duly made, seconded and unanimously carried,

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 April, May and June, 1983, in the net total amount of \$91,206,799, be and the same hereby are ratified and approved.

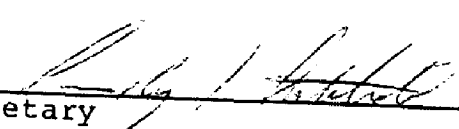
The minutes of the regular and organizational meetings of the Board of Directors held on April 21, 1983, the special meeting of the Board held on May 19, 1983 and the Executive Committee of the Board held on July 7, 1983, were approved as submitted by the Secretary.

Mr. Brown, Chairman of the Compensation Committee, reported that at a meeting held July 20, 1983, the Committee reviewed various proposals concerning long-term incentive compensation programs and intends to continue its review of such programs at its October meeting.

At the request of the Chairman, Mr. McDoulett, Vice President, Development reported on the status of the Corporation's sale of certain businesses including the sale of its specialty chemicals business and Gensco, Inc.

Mr. Kelley reviewed with the Board the status of the Agent Orange and Newark litigation to which the Corporation is a party and responded to questions.

Thereupon, there being no further business, the meeting was adjourned.


Secretary

DIAMOND SHAMROCK CORPORATION

Written Consent of Members of the
Board of Directors

The undersigned, constituting all of the members of the Board of Directors of Diamond Shamrock Corporation, a Delaware corporation (the "Corporation"), hereby adopt the resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of the State of Delaware.

This instrument shall be filed with the minutes of proceedings of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of May 30, 1983.

✓ B. Charles Ames

Raymond A. Hay

✓ J. David Barnes

✓ Allen C. Holmes

✓ W. H. Bricker

✓ John T. Kimbell

✓ W. L. Lyons, Brown, Jr.

✓ J. Avery Rush, Jr.

✓ Philip E. Coldwell

✓ A. J. Tomlinson

✓ Gene Edwards

W. Thomas York
W. Thomas York

RESOLVED that the Corporation acquire Natomas Company, a California corporation ("Natomas"), such acquisition to be accomplished pursuant to the mergers provided for in the Plan and Agreement of Reorganization dated as of May 30, 1983 between the Corporation and Natomas, as amended from time to time as hereinafter provided ("Plan of Reorganization").

FURTHER RESOLVED that the Plan of Reorganization and the transactions contemplated thereby are hereby approved and the Chairman, the Vice Chairman, the President, any Vice President or Secretary of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, to execute and deliver the Plan of Reorganization and any amendments thereto as may, in their or his judgment (after consultation with counsel for the Corporation) be necessary, appropriate or advisable in connection with the acquisition of Natomas and the transactions contemplated in the Agreement of Reorganization, and any such amendment so executed and delivered by them or any of them shall be conclusive evidence of their or his authority to execute the same.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized to take any or all actions as may, in their or his judgment, be necessary, appropriate or advisable in connection with the formation under the laws of the State of Delaware of a new corporation ("New Parent") as contemplated in Section 1.1 of the Plan of Reorganization.

FURTHER RESOLVED that the Corporation hereby is authorized to subscribe for 100 shares of the common stock of New Parent for a consideration in the aggregate of \$1,000, which consideration represents a price of \$10 per share.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized to take, for and on behalf of the Corporation as sole stockholder of New Parent, such action as may be necessary, appropriate or advisable to effect the reorganization as contemplated by the Plan of Reorganization, including causing New Parent to form two wholly owned subsidiaries ("D Sub" and "N Sub") and the merger of such subsidiaries into the Corporation

and Natomas, respectively, 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 the Chairman, the Vice Chairman, the President, any Vice President or Secretary of the Corporation, and each of them, are hereby authorized to prepare, execute and deliver a plan and agreement of merger on the terms set forth in the Plan of Reorganization, which provides for the merger of D Sub into the Corporation and the exchange of each share of the Corporation's Common Stock for one share of common stock of New Parent and, subject to the approval of the holders of the Corporation's \$2.07 Cumulative Convertible Preferred Stock ("2.07 Preferred Stock"), the exchange of each share of the 2.07 Preferred Stock for one share of a new series of preferred stock of New Parent having substantially identical terms as the 2.07 Preferred Stock.

FURTHER RESOLVED that the Chairman, the Vice Chairman, the President any Vice President or Secretary of the Corporation, and each of them, are hereby authorized to prepare, execute and deliver, or to cause to be prepared, executed and delivered by New Parent, a plan and agreement of merger on the terms set forth in the Plan of Reorganization, which provides for the merger of N Sub into Natomas and the exchange of each share of Natomas' Common Shares for 1.05 shares of the common stock of New Parent and, subject to the approval of the holders of Natomas' \$4.00 Series C Cumulative Convertible Preferred Shares ("4.00 Preferred Shares"), the exchange of each share of the 4.00 Preferred Shares for one share of a new series of preferred stock of New Parent having substantially identical terms as the 4.00 Preferred Shares.

FURTHER RESOLVED that there shall be submitted to the stockholders of the Corporation for their approval and adoption the Plan of Reorganization and the related agreement of merger, with respect to the merger of D Sub into the Corporation.

FURTHER RESOLVED that the record date for the purpose of determining the stockholders entitled to notice of, and to vote at, the meeting of the Corporation's stockholders at which the matters specified in the foregoing resolution shall be submitted for approval shall be fixed by the Executive Committee as it may deem appropriate.

FURTHER RESOLVED that the date for the meeting of the Corporation's stockholders at which the matters specified in the preceding resolution shall be submitted for approval shall be fixed by the Executive Committee as it may deem appropriate.

FURTHER RESOLVED that W. H. Bricker, J. Avery Rush, Jr. and J. L. Jackson, and each of them, with full power of substitution in each, are hereby appointed as proxies for such Special Meeting.

FURTHER RESOLVED that B. W. Bedy and N. R. Green are hereby appointed as inspectors of election for such Special Meeting.

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") and the Securities Exchange Act of 1934 ("1934 Act") a Registration Statement on Form S-14 ("Registration Statement"), or such other form as may be available, (which shall also constitute the Joint Proxy Statement of the Corporation and Natomas) registering such number of shares of common stock and preferred stock of New Parent as may be issued and delivered to the stockholders of the Corporation and Natomas pursuant to the Plan of Reorganization and as may be issued and delivered upon conversion of any shares of New Parent's preferred stock issued in the Reorganization, and to do or cause to be done everything necessary or advisable in order to effect the registration under such Acts of such shares of common stock and preferred stock of New Parent 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 the officers of the Corporation, and each of them, are hereby authorized to prepare, execute and file, or to cause New Parent to prepare, execute and file, with the Commission pursuant to the 1934 Act such documents as may be required to effect the

registration under such Act of the shares of common stock and preferred stock of New Parent issued and delivered to stockholders of the Corporation and Natomas pursuant to the Plan of Reorganization and such shares of common stock as may be issuable upon conversion of New Parent's preferred stock.

FURTHER RESOLVED that subject to 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, or to cause New Parent 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 and preferred stock of New Parent to be issued and delivered pursuant to the Plan of Reorganization and such shares of common stock of New Parent as may be issuable upon conversion of New Parent's preferred stock.

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 or to cause New Parent to make such applications and agreements relative to listing shares of New Parent 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 and preferred stock of New Parent pursuant to the Plan of Reorganization any application or other instrument must be filed or other action must be taken by the Corporation or New Parent 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 to file with the Federal Trade Commission (the "FTC") and the Department of Justice (the "DOJ") such documents or instruments and to do all acts as may, in their or his judgment, be necessary, appropriate or advisable for the purpose of submitting to the FTC and the DOJ appropriate notification with respect to the Plan of Reorganization pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or as otherwise may be required by law and any such documents or instruments so executed and filed or actions taken by them or any of them shall be conclusive evidence of their or his authority to so act.

FURTHER RESOLVED that AmeriTrust Company hereby is appointed and authorized to act as exchange agent ("Exchange Agent") in connection with the reorganization having such duties and on such terms and conditions as are set forth in the Plan of Reorganization or as may otherwise be specified by any officer of the Corporation, including without limitation the duty to effect exchanges of certificates representing shares of the Corporation's Common Stock and the Common Stock of Natomas for certificates representing shares of the common stock of New Parent and exchanges of certificates representing shares of the Corporation's \$2.07 Preferred Stock and Natomas' \$4.00 Preferred Stock for certificates representing the appropriate series of preferred stock of New Parent as provided in the Plan of Reorganization.

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 (i) the transactions

contemplated in the Plan of Reorganization, (ii) the preparation of the Registration Statement, (iii) the appointment of the Exchange Agent, and (iv) the transactions contemplated, necessary, appropriate or advisable in connection with any of the foregoing, 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 Plan of Reorganization and carrying out any transaction 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.

* * * * *

RESOLVED that the Chairman, the Vice Chairman, the President, any Vice President, the Treasurer or the Secretary of the Corporation, and each of them, are hereby authorized, for and on behalf of the Corporation to initiate and consummate a tender offer ("Tender Offer") by the Corporation to acquire shares of the Corporation's Common Stock, or otherwise purchase shares of the Corporation's Common Stock, for an aggregate purchase price of up to \$300,000,000 if, in the judgment of any such officer, such Tender Offer or other purchases are necessary, appropriate or advisable, such Tender Offer or other purchase, if initiated, to be at such price or prices and on such terms as any such officer shall determine to be appropriate.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized to make such filings and amendments thereof with the Securities and Exchange Commission pursuant to Regulation 14D, Rule 14e-1, Rule 10b-6 and any other applicable rule or regulation under the 1934 Act and under any state securities laws, as

any of them (after consultation with counsel for the Corporation) shall deem necessary, appropriate or advisable in connection with the Tender Offer or other purchases.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized, on behalf of the Corporation, to appoint AmeriTrust Company as Depositary with respect to the shares tendered pursuant to the Tender Offer upon such terms and conditions contained in an agreement between the Corporation and Depositary in such form as any such officer may approve, any such agreement and any and all amendments thereto (the "Depositary Agreement") being hereby approved.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby authorized, on behalf of the Corporation, to appoint such entities or persons as dealer manager, information agent or as forwarding agent(s) in respect of the Tender Offer upon such terms and conditions in one or more agreements between the Corporation and such entities or persons in such form as any such officer may approve, all such agreements and any and all amendments thereto (the "Dealer Manager Agreement", the "Information Agent Agreement" and the "Forwarding Agent Agreement(s)", respectively) being hereby approved.

FURTHER RESOLVED that the officers of the Corporation, and each of them, are hereby 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 government agency or other body and to take any such other action which may, in the judgment of any such officer, be necessary, appropriate or advisable in connection with (i) the transactions contemplated in connection with the Tender Offer or other purchases, (ii) the appointment of the dealer manager, depositary, information agent and forwarding agent(s) and (iii) any transactions necessary, appropriate or advisable in connection with any of the foregoing and any 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 to so act.

FURTHER RESOLVED that any specific resolution necessary, appropriate or advisable for the purpose of accomplishing the Tender Offer or other purchases and all other transactions contemplated thereby or for carrying out any transaction 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.

3466L

MINUTES of the Special Meeting of the Board of Directors of Diamond Shamrock Corporation held at Mellon Bank, N.A., Mellon Square, Pittsburgh, Pennsylvania, on Thursday, May 19, 1983, at 4:00 P.M.

PRESENT (In person or by telephone):
Messrs. Ames, Bricker, Brown, Coldwell, Edwards,
Holmes, Kimbell, Rush and York.

ABSENT: Messrs. Barnes, Hay and Tomlinson.

The Chairman reviewed with the Board of Directors Mr. Tomlinson's decision to become the chief executive officer of the joint venture company being formed by the Corporation and Showa Denko, K.K. There followed a discussion of such decision and the proposed election of J. L. Jackson as President and Chief Operating Officer and a Director of the Corporation and of Robert E. Garbesi as a Vice President and President of the Coal Unit of the Corporation, after which, upon motion duly made, seconded and unanimously carried, the Board of Directors adopted the following resolutions:

RESOLVED that J. L. Jackson be, and he hereby is, elected as a Director of the Corporation effective as of June 1, 1983 to serve until the next annual meeting of stockholders and his successor is elected and qualified.

FURTHER RESOLVED that J. L. Jackson be, and he hereby is, appointed a member of the Administration Committee and the Board Composition Committee of the Board of Directors of the Corporation effective as of his election as a Director.

FURTHER RESOLVED, that J. L. Jackson be, and he hereby is, elected President and Chief Operating Officer of the Corporation effective as of June 1, 1983.

FURTHER RESOLVED that Robert E. Garbesi be, and hereby is, elected a Vice President of the Corporation and Unit President of the Coal Unit effective as of June 1, 1983.

Mr. Ahlstrom, Vice President, Finance, reported on the Corporation's financial position and results of operations for the first quarter of 1983 and anticipated financial position and results for the second quarter of 1983.

Mr. McDoulett then reported on the proposed transactions involving the sale of the Corporation's specialty chemical businesses, including the progress of negotiations with Showa Denko, K.K. He stated that the Corporation and W. R. Grace & Company ("Grace") had reached an agreement in principle for Grace to acquire the Corporation's process chemicals and metal coatings divisions.

Mr. Kelley then reported on the status of the "Agent Orange" litigation. He discussed the May 12, 1983 rulings by the trial court on motions made by certain defendants for summary judgment, the adjournment of the trial on the government contract defense and the future course of the litigation.

Mr. Rush then discussed the proposed purchase of up to approximately 51% of the Common Shares of Natomas Company. Mr. Rush reviewed the business and assets of Natomas and each

of its business segments and presented certain financial information relating to Natomas. He advised the Board of Directors that management recommended that, if a tender offer were authorized, the Corporation should disclose its intention to propose a merger pursuant to which each outstanding Common Share of Natomas not purchased in the tender offer would be exchanged for such fraction of a share of Common Stock of the Corporation as would be equivalent in value to the tender offer price, based upon the closing sales price for Common Stock of the Corporation on the last trading day preceding the announcement of the tender offer.

After discussion, upon motion duly made, seconded unanimously carried, the Board of Directors approved the following resolutions:

RESOLVED that the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, to initiate a tender offer (to be made either by the Corporation or a subsidiary of the Corporation) for approximately 51% of the outstanding Common Shares ("Shares"), of Natomas Company, ("Natomas") (assuming the conversion of all outstanding convertible securities of Natomas and the exercise of all outstanding options to purchase Shares) (the "Tender Offer"), such Tender Offer to be made upon such terms and conditions as the officers of the Corporation deem necessary, appropriate or desirable.

FURTHER RESOLVED that the Executive Office of the Corporation be and it hereby is authorized to fix the price per Share to be paid in the Tender Offer, provided, however, that such price shall not exceed \$25.00 per Share.

FURTHER RESOLVED that the offer to purchase and other documents relating to the Tender Offer shall set forth the Corporation's present intention to propose a merger transaction in which each Share not purchased pursuant to the Tender Offer would be exchanged for a fraction of a share of Common Stock of the Corporation the numerator of which is the price to be paid pursuant to the Offer and the denominator of which is the closing sales price of Common Stock of the Corporation reported on the Composite Transactions Report on the last trading day immediately preceding the date of the Tender Offer.

FURTHER RESOLVED that in connection with the Tender Offer the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, (a) to prepare, execute and file with the Securities and Exchange Commission (the "Commission") a Schedule 14D-1 under the Securities Exchange Act of 1934, as amended (the "1934 Act"), in such form and with such changes as such officers may deem necessary, appropriate or advisable, (b) to execute and file with the Commission any amendments and supplements to said Schedule 14D-1 as such officers may deem necessary, appropriate or advisable, (c) to take any and all further actions as the officer or officers so acting deem necessary, appropriate or advisable to cause said Schedule 14D-1 to comply with the Corporation's obligations under the 1934 Act, and (d) to commence such litigation and other legal proceedings and to take such other actions as such officer or officers so acting may deem necessary, advisable or appropriate in order to carry out the Tender Offer.

FURTHER RESOLVED that any bank or trust company designated by any Vice President, the Treasurer or the Secretary of the Corporation, or any of them, hereby is appointed as the depository (the "Depository") with respect to the Shares tendered pursuant to the Tender Offer upon the terms contained in the agreement between the Corporation and the Depository in such

form as may be approved by any Vice President, the Treasurer or the Secretary, any such agreement and any and all amendments thereto (the "Depository Agreement") being hereby approved.

FURTHER RESOLVED that any one or more bank or trust companies designated by any Vice President, the Treasurer or the Secretary of the Corporation, or any of them, hereby is appointed as the forwarding agent (the "Forwarding Agent") with respect to the Shares tendered pursuant to the Tender Offer upon the terms contained in the agreement between the Corporation and the Forwarding Agent in such form as may be approved by any Vice President, the Treasurer or the Secretary, any such agreement and any and all amendments thereto (the "Forwarding Agent Agreement") being hereby approved.

FURTHER RESOLVED that if any particular form of resolutions is required in connection with the foregoing Depository Agreement and Forwarding Agent Agreement such resolutions are hereby approved as being in the form duly approved at this meeting.

FURTHER RESOLVED that any firm designated by any Vice President, the Treasurer or the Secretary of the Corporation, or any of them, is hereby appointed as the information agent (the "Information Agent") with respect to the Tender Offer upon the terms contained in the agreement between the Corporation and the Information Agent in such form as may be approved by any Vice President, the Treasurer or the Secretary, any such agreement and any and all amendments thereto (the "Information Agreement") being hereby approved.

FURTHER RESOLVED that Kidder, Peabody & Co. Incorporated hereby is appointed as the dealer manager (the "Dealer Manager") for the Tender Offer upon the terms contained in the agreement between the Corporation and the Dealer Manager in such form as may be approved by any Vice President, the Treasurer or the Secretary, any such agreement and any and all amendments thereto (the "Dealer Manager Agreement") being hereby approved.

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 the Depositary Agreement, the Forwarding Agent Agreement, the Information Agent Agreement, and the Dealer Manager Agreement or amendments thereto as the officers executing the same may approve, and any such agreements so executed and delivered by them or any of them shall be conclusive evidence of their or his authority in so doing.

FURTHER RESOLVED that the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, to borrow up to \$750,000,000 upon the terms and conditions set forth in the Corporation's \$750,000,000 Revolving Credit and Term Loan Agreement, dated as of April 15, 1982 (the "Credit Agreement"), for the purpose of consummating the purchase of Shares pursuant to the Tender Offer and for related costs and expenses.

FURTHER RESOLVED that the officers of the Corporation, and each of them, hereby authorized, for and on behalf of the Corporation, to execute and to file with the Federal Trade Commission (the "FTC") and the Department of Justice (the "DOJ") such documents or instruments and to do all acts as may, in their or his judgment, be necessary, appropriate or advisable for the purpose of submitting to the FTC and the DOJ appropriate notification with respect to the Tender Offer pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or as otherwise may be required by law and any such documents or instruments so executed and filed or be conclusive evidence of their or his authority in so doing.

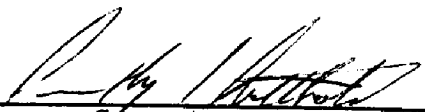
FURTHER RESOLVED that the officers of the Corporation, and each of them, hereby are authorized, for and on behalf of the Corporation, to execute and deliver such other documents or instruments, to make filings with any governmental agency, court or other body and to do all acts as may, in

their or his judgment, be advisable or necessary in connection with (i) the Tender Offer, (ii) the preparation and filing of Schedule 14D-1 and amendments thereto, (iii) the appointment of the Depositary Agent, Forwarding Agent, Information Agent and Dealer Manager, (iv) the Depositary Agreement, the Forwarding Agent Agreement, the Information Agent Agreement and the Dealer Manager Agreement, (v) the borrowing by the Corporation under the Credit Agreement, (vi) the preparation and filing with the FTC and the DOJ of all required notifications and reports, and (vii) the implementation of the transactions contemplated, necessary, appropriate or advisable in connection with any of the foregoing, 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 the subscription for and purchase by the Corporation of 500 shares of Common Stock, \$1.00 par value, of DSC Acquisition, Inc. for \$1,000.00 is hereby ratified and approved.

FURTHER RESOLVED that any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed approved and may be certified as having been deemed approved and may be certified as having been adopted by the Board this date, provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

Thereupon, there being no further business, the meeting was adjourned.


Secretary

DIAMOND SHAMROCK CORPORATION

Unanimous Written Consent of
a Committee of the Board of Directors

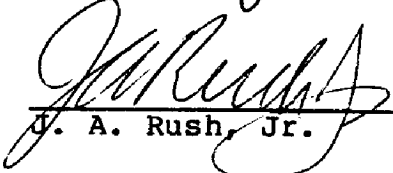
The undersigned, constituting all the members of an ad hoc committee (the "Committee") of the Board of Directors of Diamond Shamrock Corporation (the "Corporation") established by the Board of Directors of the Corporation on April 21, 1983, hereby adopt the resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of the State of Delaware.

This instrument shall be filed with the minutes of proceedings of the April 21, 1983 regular meeting of the Board of Directors of the Corporation.

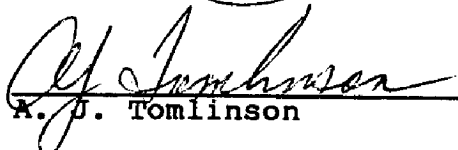
IN WITNESS WHEREOF, the undersigned have executed this instrument as of May 4, 1983.



W. H. Bricker



J. A. Rush, Jr.



A. J. Tomlinson

RESOLVED that the issuance and sale by the Corporation from time to time up to \$250,000,000 aggregate principal amount of unsecured debentures, notes and other unsecured evidences of indebtedness (the "Debt Securities") in one or more series, for such consideration and upon such other terms and conditions as may be fixed or authorized by subsequent action of the Board of Directors or of an ad hoc Committee of the Board of Directors composed of the Chairman, Vice Chairman and President is hereby authorized and approved.

FURTHER RESOLVED that the ad hoc Committee of the Board of Directors composed of the Chairman, the Vice Chairman and President be and hereby it is authorized and empowered in its discretion to establish the consideration for and other substantive terms and conditions of the issuance and sale of the Debt Securities and to authorize and approve one or more forms of Debt Security, including without limitation interest rates, maturities, redemption premiums and Sinking Fund provisions and other terms and conditions, and to authorize and approve any documents and other matters relating to the issuance and sale of the Debt Securities.

FURTHER RESOLVED that the Corporation enter into an indenture (the "Indenture"), between the Corporation and Mellon Bank, N.A., as trustee (the "Trustee"), under which the Corporation may issue the Debt Securities.

FURTHER RESOLVED that the form of Indenture presented to this meeting is hereby approved, and that the Chairman, President or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation, and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute, acknowledge and deliver the Indenture in substantially the form approved at this meeting, with such changes and insertions therein as the officers executing the Indenture shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the Chairman, President or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation, and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute, acknowledge and deliver any supplements to the Indenture for the

purpose of including under the Indenture the Debt Securities, or any series thereof, as the officers executing such supplement to the Indenture shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the Chairman, President, or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute the Debt Securities (and in addition, Debt Securities to replace lost, stolen, mutilated or destroyed Debt Securities and Debt Securities required for exchange, substitution or transfer, or as provided in the Indenture) in such form, as may be approved from time to time by the Board of Directors or by the ad hoc Committee of the Board established pursuant to the preceding resolutions, with such changes, and insertions therein as such officers shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the signatures of the officers of the Corporation authorized to execute the Debt Securities shall be the facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced thereon, the Corporation for such purpose hereby adopting each such facsimile signature as binding upon it, notwithstanding the fact that at the time the Debt Securities shall be authenticated and delivered or disposed of the officer so signing shall have ceased to be the Chairman, President, Vice President, Secretary or Assistant Secretary, as the case may be.

FURTHER RESOLVED that a facsimile of the corporate seal of the Corporation shall be imprinted on the Debt Securities, which facsimile is hereby acknowledged to be the corporate seal of the Corporation for the purpose of ensembling the Debt Securities.

FURTHER RESOLVED that the Chairman, President or any Vice President and the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized to deliver to the Trustee the Debt Securities in such denominations as may be determined by the officer delivering the Debt Securities (such determination to be conclusively evidenced by the delivery of the Debt Securities), and to request the Trustee to authenticate

the Debt Securities and to deliver the same to or upon the written order of the Corporation, signed by such officers of the Corporation, and that the Trustee is hereby authorized and directed to authenticate and deliver the Debt Securities pursuant to said request or order; provided, however, no Debt Securities shall be issued in an amount less than \$1,000.00 or in denominations other than multiples of \$1,000.00.

FURTHER RESOLVED that the Chairman, President, any Vice President, Secretary, any Assistant Secretary, Treasurer and any Assistant Treasurer of the Corporation be, and each of them hereby is, authorized to make any and all payments, to execute and file any and all documents and to take any and all other action as they may deem necessary, appropriate or advisable to make the Debt Securities the valid, binding and legal obligations of the Corporation in accordance with their terms, to authenticate and deliver the Debt Securities and the Indenture, and to permit the Corporation to exercise its rights with respect to the Indenture, any supplement thereto, and the Debt Securities and to comply with each and all of the obligations imposed upon it by the provisions of the Indenture, any supplement thereto, and the Debt Securities which may at any time be outstanding thereunder.

FURTHER RESOLVED that in connection with the issuance and sale of the Debt Securities, the officers of the Corporation be, and each of them hereby is, authorized for and on behalf of the Corporation (a) to prepare, execute and file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 (the "Registration Statement") for the purpose of registering the Debt Securities under the Securities Act of 1933, as amended (the "Act") in such form and with such changes as such officers may deem necessary, appropriate or advisable, (b) to execute and file with the Commission such amendments and supplements to said Registration Statement in such form and with such changes as such officers may deem necessary, appropriate or advisable, (c) to take all further action as the officer or officers so acting deem necessary, appropriate or advisable to cause said Registration Statement to become effective and to comply with the Corporation's obligations under the Terms Agreement (hereinafter referred to) with respect to said Registration Statement and the prospectus included therein, and (d) to do or cause to be done all things necessary, appropriate or advisable in order to comply with the provisions of the Trust Indenture Act of 1939.

FURTHER RESOLVED that each officer and director who may execute the Registration Statement or any amendment thereto or document in connection therewith (whether on behalf of the Corporation or as an officer or director thereof, or by attesting the seal of the Corporation, or otherwise) is hereby authorized to execute a power of attorney appointing R. M. Ahlstrom, Richard W. Arp, T. J. Fretthold, James F. Kelley, and each of them, his true and lawful attorney or attorneys to execute in his name, place and stead in any such capacity the Registration Statement, any and all amendments thereto and exhibits and other documents in connection therewith, and to file the same with the Commission, each of said attorneys to have full power to act with or without the others, and to have full power and authority to do and perform, in the name and on behalf of each and all of said officers and directors who shall have executed such a power of attorney, every act whatsoever necessary or advisable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person.

FURTHER RESOLVED that James F. Kelley and Timothy J. Fretthold be, and each of them hereby is, authorized to act on behalf of the Corporation as its agent for service for the matters relating to the Registration Statement with the powers enumerated in Rule 478 of the Rules and Regulations of the Commission under the Act.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized, for and in the name of the Corporation, to take any and all action which they may deem necessary, appropriate or advisable in order to effect the registration or qualification of part or all of the Debt Securities for offer and sale under the securities or Blue Sky laws of any of the states or other political subdivisions of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports, covenants, resolutions and other documents, papers and instruments as may be required under such laws, and to take any and all further action which they may deem necessary, appropriate or advisable in order to maintain any such registration or qualification for as long as they deem to be in the best interest of the Corporation.

FURTHER RESOLVED that the Chairman, President or any Vice President and the Secretary or any Assistant Secretary of the Corporation be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and file irrevocable written consents on the part of the Corporation to be sued in such states of the United States of America wherein such consents to service of process may be requisite under the securities laws thereof in connection with said registration and qualification of the Debt Securities and to appoint the appropriate state official agent of the Corporation for the purpose of receiving and accepting process.

FURTHER RESOLVED that the form of Terms Agreement which incorporates by reference the Underwriting Agreement Basic Provisions between the Corporation and the underwriters used in connection with the offer and sale of the Debt Securities in the form presented to this meeting is hereby approved, and that, when any such Terms Agreement has been completed to set forth the price and the terms and conditions upon which all or any portion of the Debt Securities are to be sold and the compensation to be received by the underwriters, the Chairman, President, any Vice President, the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and deliver such Terms Agreement with such changes and insertions therein and deletions therefrom as the officer executing the same may deem necessary, appropriate or advisable, as conclusively evidenced by his execution thereof.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized and empowered to execute and deliver any and all other documents, papers or instruments, to make any and all payments, and to do or cause to be done any and all such acts and things as they may deem necessary, appropriate or advisable in order to enable the Corporation fully and promptly to carry out the purposes and intent of the foregoing resolutions.

FURTHER RESOLVED that any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board this date, provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

BE IT HEREBY RESOLVED, that the President or any Vice President and the Secretary or any Assistant Secretary of this corporation are authorized to execute on behalf of this corporation and file with the Division of Securities of the Department of Banking and Finance, State of Florida, in the form prescribed by the Division of Securities, the irrevocable consent of this corporation that in suits, proceedings and actions growing out of the violation of any provision of Chapter 517, Florida Statutes, service of any notice, process or pleading on the Comptroller of the State of Florida shall be as valid and binding in all courts of the State of Florida as if due service had been made on this corporation.

BE IT FURTHER RESOLVED, that the Comptroller of the State of Florida and his successors in such office are hereby appointed the Statutory Agent of this corporation to accept and receive on behalf of this corporation any notice, process or pleading so served.

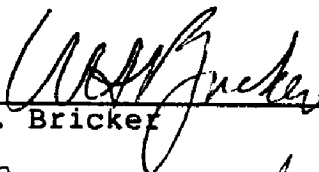
DIAMOND SHAMROCK CORPORATION

Unanimous Written Consent of
a Committee of the Board of Directors

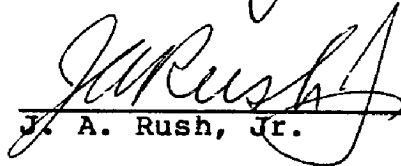
The undersigned, constituting all the members of an ad hoc committee (the "Committee") of the Board of Directors of Diamond Shamrock Corporation (the "Corporation") established by the Board of Directors of the Corporation on April 21, 1983, hereby adopt the resolutions attached hereto without a meeting in accordance with the provisions of Section 141 of the General Corporation Law of the State of Delaware.

This instrument shall be filed with the minutes of proceedings of the April 21, 1983 regular meeting of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this instrument as of April 27, 1983.



W. H. Bricker



J. A. Rush, Jr.



A. J. Tomlinson

WHEREAS the Board of Directors by resolutions adopted at a regular meeting of the Board on April 21, 1983 authorized and empowered an ad hoc Committee of the Board consisting of the Chairman, Vice Chairman and President of the Corporation in its discretion to establish the consideration for and other substantive terms and conditions of the issuance and sale from time to time by the Corporation of up to \$250,000,000 aggregate principal amount of unsecured debentures, notes and other unsecured evidences of indebtedness (the "Debt Securities") and to authorize and approve one or more forms of debt security, including without limitation the designation of the series, interest rates, maturities, redemption premiums and sinking fund provisions and other terms and conditions, and to authorize and approve any documents and other matters relating to the issuance and sale of the Debt Securities.

NOW THEREFORE BE IT RESOLVED that the issuance and sale by the Corporation of \$100,000,000 aggregate principal amount of 10-5/8% Notes Due May 1, 1993 (the "Notes") for such consideration and upon such terms and conditions as are set forth in the terms agreement dated as of May 5, 1983 between the Corporation and the underwriters named therein in the form presented to this Committee is hereby authorized and approved.

FURTHER RESOLVED that the Chairman, President, or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute the Notes (and in addition, Notes to replace lost, stolen, mutilated or destroyed Notes and Notes required for exchange, substitution or transfer, or as provided in the Indenture dated May 1, 1983 between the Corporation and Mellon Bank, N.A., as trustee) in substantially the form, with such changes, and insertions therein as such officers shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof:

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized and empowered to execute and deliver any and all other documents, papers or instruments and do or cause to be done any and all acts and things as they may deem necessary, appropriate or advisable in order to enable the Corporation fully and promptly to carry out the purposes and intent of the foregoing resolutions and of the resolutions relating to the issuance and sale of the Debt Securities adopted by the Board of Directors on April 21, 1983.

1474S

MINUTES of the Regular Meeting
of the Board of Directors of
Diamond Shamrock Corporation
held at 717 North Harwood
Street, Dallas, Texas, on
Thursday, April 21, 1983, at
9:00 a.m.

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

Also present were Messrs. Ahlstrom, Arp, Carlton,
Epps, Groves, Jackson, Kelley, Mielke, Olivier and Stewart.

At the request of the Chairman, Mr. Ahlstrom, Vice
President, Finance, reported on the Corporation's financial
position as of March 31 and its results of operations for the
quarter then ended. Among other matters, he compared the
Corporation's cash requirements to funds generated by
operations and discussed the effect of the Sigmor transaction
upon the Corporation's debt/equity ratio.

Mr. Ahlstrom noted that the Board of Directors was
scheduled to give consideration to the declaration of a
dividend on the Corporation's \$2.07 Preferred Stock and Common
Stock. After discussion, upon motion duly made, seconded and
unanimously carried, the Board of Directors adopted the
following resolutions:

RESOLVED that there be, and there hereby is,
declared from the Corporation's consolidated
earnings and earned surplus a dividend of
8-1/2 cents per share for the quarterly
period ending June 14, 1983, on all shares
of \$2.07 Cumulative Convertible Preferred
Stock of the Corporation issued and
outstanding at the close of business on

May 20, 1983, payable in cash on June 15, 1983, and that May 20, 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 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 May 20, 1983, payable in cash on June 7, 1983, and that May 20, 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. Ahlstrom then reviewed with the Board of Directors management's proposal to sell 4,500,000 shares of Common Stock in exchange for cash and \$27,500,000 principal amount of the Corporation's 7-3/4% Sinking Fund Debentures. Following the completion of the sale of such shares, the Corporation would sell \$250,000,000 principal amount of debt securities. The proceeds from the sale of the Common Stock and debt securities would be used primarily to reduce variable rate debt.

After discussion upon motion duly made, seconded and unanimously carried, the Board of Directors approved the following resolutions:

RESOLVED that the issuance by the Corporation of up to 1,200,000 shares of Common Stock in exchange for \$27,500,000 principal amount of the Corporation's 7-3/4% Sinking Fund Debentures due 1994 (the

"Debentures") pursuant to the Option Agreement dated as of February 18, 1983 between the Corporation and Institutional Leasing, Inc., a subsidiary of Lazard Freres & Co. (the "Option Agreement"), and the Exchange Agreement and Plan of Reorganization (the "Exchange Agreement") attached as an exhibit thereto, or pursuant to the Terms Agreement and Plan of Recapitalization (the "Terms Agreement") which incorporates by reference the Underwriting Agreement Basic Provisions between the Corporation and the underwriters used in connection with the offer and sale of the 4,500,000 shares of Common Stock in the form presented to this meeting, as the case may be, is hereby authorized and approved.

FURTHER RESOLVED that the issuance and sale by the Corporation from time to time of shares of Common Stock which when added to those shares issued in exchange for the Debentures pursuant to the foregoing resolution do not exceed 4,500,000 shares in the aggregate for such consideration and upon such other terms and conditions as may be fixed or authorized by subsequent action of the Board of Directors or of an ad hoc Committee of the Board of Directors composed of the Chairman, Vice Chairman and President is hereby authorized and approved.

FURTHER RESOLVED that the ad hoc Committee of the Board of Directors composed of the Chairman, the Vice Chairman and President be and hereby it is authorized and empowered in its discretion to establish the consideration for and other substantive terms and conditions of the issuance and sale of the shares of Common Stock authorized in the preceding resolutions and to approve and/or authorize any documents and other matters relating thereto.

FURTHER RESOLVED that such 4,500,000 shares of Common Stock (the "Shares") are hereby authorized to be issued from Common Stock presently authorized but unissued or held in the treasury.

FURTHER RESOLVED that in connection with the issuance and sale of the Shares by the Corporation and by Institutional Leasing, Inc. or Lazard Freres & Co. as a selling stockholder, the officers of the Corporation be, and each of them hereby is, authorized for and on behalf of the Corporation (a) to prepare, execute and file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 (the "Registration Statement") for the purpose of registering the Shares under the Securities Act of 1933, as amended (the "Act") in such form and with such changes as such officers may deem necessary, appropriate or advisable, (b) to execute and file with the Commission such amendments and supplements to said Registration Statement in such form and with such changes as such officers may deem necessary, appropriate or advisable, and (c) to take all further action as the officer or officers so acting deem necessary, appropriate or advisable to cause said Registration Statement to become effective and to comply with the Corporation's obligations under the Terms Agreement with respect to said Registration Statement and the prospectus included therein.

FURTHER RESOLVED that each officer and director who may execute the Registration Statement or any amendment thereto or document in connection therewith (whether on behalf of the Corporation or as an officer or director thereof, or by attesting the seal of the Corporation, or otherwise) is hereby authorized to execute a power of attorney appointing R. M. Ahlstrom, Richard W. Arp, T. J. Fretthold, James F. Kelley, and each of them, his true and lawful attorney or attorneys to execute in his name, place and stead in any such capacity the Registration Statement, any and all amendments thereto and exhibits and other documents in connection therewith, and to file the same with the Commission, each of said attorneys to have full power to act with or without the others, and to have full power and authority to do and perform, in the name and on behalf of each and all of

said officers and directors who shall have executed such a power of attorney, every act whatsoever necessary, appropriate or advisable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person.

FURTHER RESOLVED that James F. Kelley be and hereby is designated to act on behalf of the Corporation as its agent for service for the matters relating to the Registration Statement with the powers enumerated in Rule 478 of the Rules and Regulations of the Commission under the Act.

FURTHER RESOLVED that the Chairman, Vice Chairman, President, any Vice President, Treasurer and Secretary, be, and each of them hereby is, authorized to make application to the stock exchanges on which the Corporation's Common Stock is listed for listing thereon, upon notice of issuance, of the Shares to be offered and sold pursuant to the Registration Statement.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, designated by the Corporation to appear for and on behalf of the Corporation before any department, committee, body or official of such stock exchanges with authority to make such applications and agreements relative to listing the Shares and to make such changes therein and to take all such other steps, including (without limitation) the execution of other documents and payments of fees, as may be necessary, appropriate or advisable to conform to applicable requirements for listing the Shares.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized for and on behalf and in the name of the Corporation to execute a power of attorney evidencing the foregoing appointment.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized, for and in the name of the

Corporation, to take any and all action which they may deem necessary or advisable in order to effect the registration or qualification of part or all of the Shares for offer and sale under the securities or Blue Sky laws of any of the states or other political subdivisions of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports, covenants, resolutions and other documents, papers and instruments as may be required under such laws, and to take any and all further action which they may deem necessary, appropriate or advisable in order to maintain any such registration or qualification for as long as they deem to be in the best interest of the Corporation.

FURTHER RESOLVED that the Chairman, Vice Chairman, President or any Vice President and the Secretary or any Assistant Secretary of the Corporation be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and file irrevocable written consents on the part of the Corporation to be sued in such states of the United States of America wherein such consents to service of process may be requisite under the securities laws thereof in connection with said registration and qualification of the Shares and to appoint the appropriate state official agent of the Corporation for the purpose of receiving and accepting process.

FURTHER RESOLVED that the Terms Agreement is hereby approved, and that, when such Terms Agreement has been completed to set forth the price and the terms and conditions upon which the Shares are to be sold and the compensation to be received by the underwriters, the Chairman, Vice Chairman, President, any Vice President, the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and deliver such Terms Agreement with such changes and insertions therein and deletions therefrom as the officer executing the same may deem necessary, appropriate or

advisable, as conclusively evidenced by his execution thereof.

FURTHER RESOLVED that the authority of AmeriTrust Company as Transfer Agent and Registrar for the Corporation's Common Stock hereby is extended to include the Shares in regard to which AmeriTrust Company is authorized to act in accordance with previous instructions and authorizations; and that for the original issue of the Shares, AmeriTrust Company be, and hereby it is, authorized and directed to countersign and record certificates therefor on its transfer records, to countersign as Registrar, and to deliver said certificates as instructed by the officers of the Corporation.

FURTHER RESOLVED that AmeriTrust Company hereby is appointed and authorized to act on behalf of the Corporation as exchange agent to effect exchanges of certificates representing the Corporation's Debentures for certificates representing the Shares as provided in the Exchange Agreement.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized, for and on behalf of the Corporation, to deliver or cause to be delivered to AmeriTrust Company such letters, instruments or documents, including opinions of counsel, as shall be necessary, appropriate or advisable in connection with the authority and the extension of authority conferred pursuant to the foregoing resolutions.

FURTHER RESOLVED that the fair value to the Corporation of the Debt Securities being acquired by the Corporation will be at least equal to the statutory capital of the Shares issued in exchange therefor and that the proceeds to the Corporation from the sale of the Shares for cash will be at least equal to the statutory capital of the Shares issued for cash.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized for and in the name of the Corporation, to take any action (including, without limitation, the payment of expenses), and to execute (by manual or facsimile signature) and deliver any and all agreements, letters, documents or other writings, and to take all such other actions, that such officer may deem necessary, appropriate or advisable in order to enable the Corporation fully to exercise its rights and to perform its obligations under the Registration Statement and the Terms Agreement, the Option Agreement, the Exchange Agreement or any other agreement or document relating to such agreements, or otherwise to carry out the purposes and intent of the foregoing resolutions.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized and empowered to execute and deliver any and all other documents, papers or instruments, to make any and all payments, and to do or cause to be done any and all such acts and things as they may deem necessary, appropriate or advisable in order to enable the Corporation fully and promptly to carry out the purposes and intent of the foregoing resolutions.

FURTHER RESOLVED that any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board this date, provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

BE IT HEREBY RESOLVED, that the President or any Vice President and the Secretary or any Assistant Secretary of this corporation are authorized to execute on behalf of this corporation and file with the Division of Securities of the Department of Banking and Finance, State of Florida, in the form prescribed by the Division of Securities, the irrevocable consent of this corporation

that in suits, proceedings and actions growing out of the violation of any provision of Chapter 517, Florida Statutes, service of any notice, process or pleading on the Comptroller of the State of Florida shall be as valid and binding in all courts of the State of Florida as if due service had been made on this corporation.

BE IT FURTHER RESOLVED, that the Comptroller of the State of Florida and his successors in such office are hereby appointed the Statutory Agent of this corporation to accept and receive on behalf of this corporation any notice, process or pleading so served.

* * * * *

RESOLVED that the issuance and sale by the Corporation from time to time up to \$250,000,000 aggregate principal amount of unsecured debentures, notes and other unsecured evidences of indebtedness (the "Debt Securities") in one or more series, for such consideration and upon such other terms and conditions as may be fixed or authorized by subsequent action of the Board of Directors or of an ad hoc Committee of the Board of Directors composed of the Chairman, Vice Chairman and President is hereby authorized and approved.

FURTHER RESOLVED that the ad hoc Committee of the Board of Directors composed of the Chairman, the Vice Chairman and President be and hereby it is authorized and empowered in its discretion to establish the consideration for and other substantive terms and conditions of the issuance and sale of the Debt Securities and to authorize and approve one or more forms of Debt Security, including without limitation interest rates, maturities, redemption premiums and Sinking Fund provisions and other terms and conditions, and to authorize and approve any documents and other matters relating to the issuance and sale of the Debt Securities.

FURTHER RESOLVED that the Corporation enter into an indenture (the "Indenture"), between the Corporation and Mellon Bank, N.A., as trustee (the "Trustee"), under which the Corporation may issue the Debt Securities.

FURTHER RESOLVED that the form of Indenture presented to this meeting is hereby approved, and that the Chairman, President or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation, and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute, acknowledge and deliver the Indenture in substantially the form approved at this meeting, with such changes and insertions therein as the officers executing the Indenture shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the Chairman, President or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation, and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute, acknowledge and deliver any supplements to the Indenture for the purpose of including under the Indenture the Debt Securities, or any series thereof, as the officers executing such supplement to the Indenture shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the Chairman, President, or any Vice President be, and each of them hereby is, authorized, for and in the name of the Corporation and under its corporate seal attested by the Secretary or any Assistant Secretary, to execute the Debt Securities (and in addition, Debt Securities to replace lost, stolen, mutilated or destroyed Debt Securities and Debt Securities required for exchange, substitution or transfer, or as provided in the Indenture) in such form, as may be approved from time to time by the Board of Directors or by the ad hoc Committee of the Board established pursuant to the preceding resolutions, with such changes, and insertions therein as such officers shall deem necessary, appropriate or advisable, as conclusively evidenced by their execution thereof.

FURTHER RESOLVED that the signatures of the officers of the Corporation authorized to execute the Debt Securities shall be the facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced thereon, the Corporation for such purpose hereby adopting each such facsimile signature as binding upon it, notwithstanding the fact that at the time the Debt Securities shall be authenticated and delivered or disposed of the officer so signing shall have ceased to be the Chairman, President, Vice President, Secretary or Assistant Secretary, as the case may be.

FURTHER RESOLVED that a facsimile of the corporate seal of the Corporation shall be imprinted on the Debt Securities, which facsimile is hereby acknowledged to be the corporate seal of the Corporation for the purpose of ensembling the Debt Securities.

FURTHER RESOLVED that the Chairman, President or any Vice President and the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized to deliver to the Trustee the Debt Securities in such denominations as may be determined by the officer delivering the Debt Securities (such determination to be conclusively evidenced by the delivery of the Debt Securities), and to request the Trustee to authenticate the Debt Securities and to deliver the same to or upon the written order of the Corporation, signed by such officers of the Corporation, and that the Trustee is hereby authorized and directed to authenticate and deliver the Debt Securities pursuant to said request or order; provided, however, no Debt Securities shall be issued in an amount less than \$1,000.00 or in denominations other than multiples of \$1,000.00.

FURTHER RESOLVED that the Chairman, President, any Vice President, Secretary, any Assistant Secretary, Treasurer and any Assistant Treasurer of the Corporation be, and each of them hereby is, authorized to

make any and all payments, to execute and file any and all documents and to take any and all other action as they may deem necessary, appropriate or advisable to make the Debt Securities the valid, binding and legal obligations of the Corporation in accordance with their terms, to authenticate and deliver the Debt Securities and the Indenture, and to permit the Corporation to exercise its rights with respect to the Indenture, any supplement thereto, and the Debt Securities and to comply with each and all of the obligations imposed upon it by the provisions of the Indenture, any supplement thereto, and the Debt Securities which may at any time be outstanding thereunder.

FURTHER RESOLVED that in connection with the issuance and sale of the Debt Securities, the officers of the Corporation be, and each of them hereby is, authorized for and on behalf of the Corporation (a) to prepare, execute and file with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 (the "Registration Statement") for the purpose of registering the Debt Securities under the Securities Act of 1933, as amended (the "Act") in such form and with such changes as such officers may deem necessary, appropriate or advisable, (b) to execute and file with the Commission such amendments and supplements to said Registration Statement in such form and with such changes as such officers may deem necessary, appropriate or advisable, (c) to take all further action as the officer or officers so acting deem necessary, appropriate or advisable to cause said Registration Statement to become effective and to comply with the Corporation's obligations under the Terms Agreement (hereinafter referred to) with respect to said Registration Statement and the prospectus included therein, and (d) to do or cause to be done all things necessary, appropriate or advisable in order to comply with the provisions of the Trust Indenture Act of 1939.

FURTHER RESOLVED that each officer and director who may execute the Registration Statement or any amendment thereto or document in connection therewith (whether on behalf of the Corporation or as an officer or director thereof, or by attesting the seal of the Corporation, or otherwise) is hereby authorized to execute a power of attorney appointing R. M. Ahlstrom, Richard W. Arp, T. J. Fretthold, James F. Kelley, and each of them, his true and lawful attorney or attorneys to execute in his name, place and stead in any such capacity the Registration Statement, any and all amendments thereto and exhibits and other documents in connection therewith, and to file the same with the Commission, each of said attorneys to have full power to act with or without the others, and to have full power and authority to do and perform, in the name and on behalf of each and all of said officers and directors who shall have executed such a power of attorney, every act whatsoever necessary or advisable to be done in the premises as fully and to all intents and purposes as such officer or director might or could do in person.

FURTHER RESOLVED that James F. Kelley and Timothy J. Fretthold be, and each of them hereby is, authorized to act on behalf of the Corporation as its agent for service for the matters relating to the Registration Statement with the powers enumerated in Rule 478 of the Rules and Regulations of the Commission under the Act.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized, for and in the name of the Corporation, to take any and all action which they may deem necessary, appropriate or advisable in order to effect the registration or qualification of part or all of the Debt Securities for offer and sale under the securities or Blue Sky laws of any of the states or other political subdivisions of the United States of America, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports,

covenants, resolutions and other documents, papers and instruments as may be required under such laws, and to take any and all further action which they may deem necessary, appropriate or advisable in order to maintain any such registration or qualification for as long as they deem to be in the best interest of the Corporation.

FURTHER RESOLVED that the Chairman, President or any Vice President and the Secretary or any Assistant Secretary of the Corporation be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and file irrevocable written consents on the part of the Corporation to be sued in such states of the United States of America wherein such consents to service of process may be requisite under the securities laws thereof in connection with said registration and qualification of the Debt Securities and to appoint the appropriate state official agent of the Corporation for the purpose of receiving and accepting process.

FURTHER RESOLVED that the form of Terms Agreement which incorporates by reference the Underwriting Agreement Basic Provisions between the Corporation and the underwriters used in connection with the offer and sale of the Debt Securities in the form presented to this meeting is hereby approved, and that, when any such Terms Agreement has been completed to set forth the price and the terms and conditions upon which all or any portion of the Debt Securities are to be sold and the compensation to be received by the underwriters, the Chairman, President, any Vice President, the Treasurer or any Assistant Treasurer be, and each of them hereby is, authorized, for and in the name of the Corporation, to execute and deliver such Terms Agreement with such changes and insertions therein and deletions therefrom as the officer executing the same may deem necessary, appropriate or advisable, as conclusively evidenced by his execution thereof.

FURTHER RESOLVED that the officers of the Corporation be, and each of them hereby is, authorized and empowered to execute and deliver any and all other documents, papers or instruments, to make any and all payments, and to do or cause to be done any and all such acts and things as they may deem necessary, appropriate or advisable in order to enable the Corporation fully and promptly to carry out the purposes and intent of the foregoing resolutions.

FURTHER RESOLVED that any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board this date, provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

BE IT HEREBY RESOLVED, that the President or any Vice President and the Secretary or any Assistant Secretary of this corporation are authorized to execute on behalf of this corporation and file with the Division of Securities of the Department of Banking and Finance, State of Florida, in the form prescribed by the Division of Securities, the irrevocable consent of this corporation that in suits, proceedings and actions growing out of the violation of any provision of Chapter 517, Florida Statutes, service of any notice, process or pleading on the Comptroller of the State of Florida shall be as valid and binding in all courts of the State of Florida as if due service had been made on this corporation.

BE IT FURTHER RESOLVED, that the Comptroller of the State of Florida and his successors in such office are hereby appointed the Statutory Agent of this corporation to accept and receive on behalf of this corporation any notice, process or pleading so served.

The Chairman asked Mr. Groves, Unit President, to make a presentation to the Board on the Corporation's Exploration and Production business. Mr. Groves discussed how the unit identifies and evaluates oil and gas prospects. He then reported on the operating results of his unit for the first quarter of 1983 and its prospects for the remainder of the year.

Each of the other Unit Presidents then reported to the Board of Directors on the operations of their respective units for the first quarter and for the remainder of the year.

Mr. Tomlinson reviewed the status of the divestiture of the Corporation's specialty chemicals businesses and discussed the formation of a joint-venture with Showa Denko, K.K., to carry on a world-wide agricultural chemical business.

Mr. Tomlinson then presented the statements of oil and gas production expenditures and new and supplemental appropriations of the Corporation for the months of February and March, 1983, which were ordered identified for the Corporation's permanent file and filed therein.

After discussion the Board of Directors, upon motion duly made, seconded and unanimously carried, 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 February and March, 1983, in the net total amount of \$39,705,287, be and the same hereby are ratified and approved.

The minutes of the regular meeting of the Board of Directors held on February 17, 1983 were approved as submitted by the Secretary.

Mr. Brown, Chairman of the Compensation Committee, reported that at a meeting held this date the Committee authorized the grant of options and stock appreciation rights pursuant to the 1980 Long-Term Incentive Plan. He stated that the Compensation Committee intends to review long-term incentives at its July meeting.

Thereupon, there being no further business, the meeting was adjourned.


Secretary

MINUTES of the Organizational Meeting of the Board of Directors of Diamond Shamrock Corporation held in the Board Room of the Corporation, Dallas, Texas, on Thursday, April 21, 1983, following the Annual Meeting of Stockholders

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

Mr. J. David Barnes acted as temporary chairman and called for nominations for Chairman of the Board of Directors.

On motion duly made, seconded and unanimously carried, it was

RESOLVED that W. H. Bricker be and hereby he is elected Chairman of the Board of Directors and Chief Executive Officer of the Corporation.

Mr. W. H. Bricker then took the chair and presided for the balance of the meeting. The Chairman then called for nominations for President and Chief Operating Officer of the Corporation.

On motion duly made, seconded and unanimously carried, it was

RESOLVED that A. J. Tomlinson be and hereby he is elected President and Chief Operating Officer of the Corporation.

The Chairman then called for nominations for Vice Chairman of the Board of Directors.

On motion duly made, seconded and unanimously carried,
it was

RESOLVED that J. A. Rush, Jr. be and hereby
he is elected Vice Chairman of the
Corporation.

The Chairman then called for nominations for Vice
Presidents, Secretary, General Counsel, Treasurer and
Controller of the Corporation.

Upon motion duly made, seconded and unanimously
carried, it was

RESOLVED that the following persons be and
hereby they are elected to the office or
offices of the Corporation set forth beside
their respective names:

J. L. Jackson	-	Executive Vice President
C. E. Stewart	-	Executive Vice President
R. M. Ahlstrom	-	Vice President, Finance
G. G. Carlton	-	Vice President, Administration
R. M. Epps	-	Vice President
C. B. Groves	-	Vice President
J. F. Kelley	-	Vice President and General Counsel
C. D. McDoulett, Jr.	-	Vice President, Development
R. W. Arp	-	Controller
T. J. Fretthold	-	Secretary
D. C. Mielke	-	Treasurer

RESOLVED that the titles of any of the
aforesaid Vice Presidents may also include
such words descriptive of their respective
functions as may be designated from time to
time by the Chairman of the Board of
Directors or the President.

The Chairman then advised the Board of Directors as a
matter of information that he had appointed the following
additional officers and executives of the Corporation in
accordance with the Bylaws.

A. Corporate:

J. S. Paterson	-	Staff Vice President
E. J. Masek	-	Assistant General Counsel and Assistant Secretary
W. L. Evans	-	Assistant Treasurer
T. A. Holland	-	Assistant Controller
C. J. Wydra	-	Assistant Controller
W. Van Alford, Jr.	-	Assistant Secretary
Allan Babcock	-	Assistant Secretary
John Cottle	-	Assistant Secretary
Fenton Farwell	-	Assistant Secretary
Mark Gentry	-	Assistant Secretary
J. R. Hill	-	Assistant Secretary
G. E. Johnson	-	Assistant Secretary
D. E. Jordan	-	Assistant Secretary
Girard O. Telle	-	Assistant Secretary
T. E. Tinkler	-	Assistant Secretary

B. In the Chemical Unit:

C. E. Stewart	-	President
W. L. Abele	-	Vice President
G. L. Fish	-	Vice President
J. E. Long	-	Vice President
K. P. Mitchell	-	Vice President
J. Sherwin	-	Vice President
D. L. Smith	-	Vice President
W. D. Wegrich	-	Vice President
D. E. Jordan	-	Unit General Counsel

In the Industrial Chemical Group:

L. W. Babcock	-	Vice President
D. G. McMillen	-	Vice President
C. L. Mears	-	Vice President
C. J. Ott	-	Vice President
G. E. Pfeil	-	Vice President
R. E. Weber	-	Vice President

In the International Group:

C. M. Jones	-	Vice President
Y. Motoyama	-	Vice President
F. Zulauf	-	Vice President

In the Specialty Chemical Group:

R. L. Dezember	-	Vice President
J. Dannemiller	-	General Manager
R. J. Kingsley	-	General Manager
C. Maguire	-	General Manager
D. Rakich	-	Vice President

C. In the Exploration and Production Unit:

C. B. Groves	-	Vice President
W. L. Spencer	-	Group Vice President
B. J. Montgomery	-	Senior Vice President
S. G. Crowell	-	Vice President and General Manager, Southern Division
W. E. Notestine	-	Vice President and Unit General Counsel
N. D. Rietman	-	Vice President and General Manager, Northern Division
A. R. Thomas	-	Vice President and General Manager, International Division

D. In the Refining and Marketing Unit:

Riley M. Epps	-	President
Dewey Mark	-	Executive Vice President
Robert D. Farmer	-	Vice President
J. E. Prater	-	Vice President
Gary E. Johnson	-	Vice President
John V. Cottle	-	Vice President and Unit General Counsel
William R. Klesse	-	Vice President
Harry D. Wright	-	Vice President
Joe V. Walden	-	Vice President
Robert V. Heard	-	Vice President
Donald R. Bird	-	Vice President
Robert Mehall	-	Vice President
Thomas Lyons	-	Vice President
James Jenkins	-	Vice President
Leon Littleton	-	Vice President
Girard O. Telle	-	Controller

E. In the Coal Unit:

J. L. Jackson	-	President
R. E. Garbesi	-	Executive Vice President
John W. Damato	-	Vice President
J. W. McConnell	-	Vice President
Braxton B. Mullins	-	Vice President
W. Van Alford, Jr.	-	Unit General Counsel
Thomas N. McJunkin	-	President and General Manager, Amherst Coal Division

The Chairman then informed the Board of Directors that the next item on the agenda was establishment of the Executive Committee.

After discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in accordance with and pursuant to Section 31 of the Bylaws of the Corporation, there is hereby designated an Executive Committee, which shall be constituted and shall carry on its business pursuant to the following authority and procedures:

- (1) The Executive Committee shall consist of the Chairman of the Board of Directors and the President of the Corporation, ex officio, and of such other directors, not less than three nor more than five, as the Board of Directors shall determine, none of whom shall be an officer or employee of the Corporation. Each member of the Executive Committee, other than the Chairman of the Board of Directors and the President, shall serve at the pleasure of the Board of Directors.
- (2) Special meetings of the Executive Committee to consider matters which require determination prior to the next regular Board of Directors meeting may be called at any time by the Chairman of such Committee or by not less than three other members of such Committee and shall be held at such time and place as may be designated by the person or persons calling the meeting. Notice of each meeting of the Executive Committee shall be given to each member thereof by the Secretary of the Corporation in the manner which he shall deem most likely to give the member notice of the meeting as far in advance of the time of such meeting as practicable, unless such notice is waived in writing by all members of such Committee.
- (3) At least half the members of the Executive Committee shall constitute a quorum at any meeting of such Committee. In the event of

the inability of any member of the Executive Committee to attend any meeting thereof, the Chairman of the Board of Directors may, by written instrument filed with the Secretary, appoint any director of the Corporation who is not a member of such Committee pro tempore to take the place at such meeting of any member who is unable to attend. Any action of a majority of the members of the Executive Committee present at any meeting at which a quorum is present shall be the action of such Committee.

- (4) During the intervals between meetings of the Board of Directors, the Executive Committee shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Corporation including financial matters, stockholder relations matters and all matters involving the security of classified information in the possession of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Executive Committee shall keep a written record of all actions taken by it. The Secretary of the Corporation shall act as Secretary of the Executive Committee. Every action taken by the Executive Committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors next following the meeting of such Committee at which such action is taken. All actions of the Executive Committee shall be subject to revision or rescission by the Board of Directors to the extent that rights of third parties shall not have intervened. Any action taken by the Executive Committee may be certified by the Secretary or any Assistant Secretary of the Corporation as having been taken under the authority of the Board of Directors unless at the time of such certification such action of such Committee has been revised or rescinded by the Board of Directors.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Messrs. J. D. Barnes, W. L. L. Brown, Jr., R. A. Hay, J. T. Kimbell and J. A. Rush, Jr. be and hereby they are appointed as members of the Executive Committee, and with the Chairman of the Board of Directors and the President, they shall constitute such Committee, with the Chairman of the Board of Directors as Chairman thereof.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in accordance with Section 31 of the Bylaws, there be and hereby there is established an Audit Committee consisting of not less than three nor more than five members, which Committee shall have the duties and responsibilities as are set forth in its charter adopted by the Board of Directors on August 16, 1979 which duties and responsibilities include the following:

- (1) Recommend the selection of independent accountants to the Board of Directors for ratification by the stockholders, and in connection therewith, review the professional services to be provided by the independent accountants and the independence of such firm;
- (2) Meet with independent accountants, the appropriate officers of the Corporation and the Operations Auditing staff to:
 - (a) Review the plans for and scope of their respective audit coverages;
 - (b) Review the annual audit report of the independent accountants and the annual financial statements of the Corporation;
- (3) Review the adequacy of the Corporation's internal accounting controls, auditing procedures and practices, its financial, auditing and accounting organizations and personnel and its policies and compliance procedures with respect to potential conflicts of interest and questionable payments and practices; and

- (4) Consider such other matters with respect to the accounting, auditing and financial reporting practices and procedures of the Corporation as it may find appropriate or as have been brought to its attention.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Messrs. B. C. Ames, G. Edwards, P. E. Coldwell, R. A. Hay and J. T. Kimbell be and hereby they are appointed to serve as members of the Audit Committee with Mr. Edwards as Chairman thereof.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in accordance with Section 31 of the Bylaws, there be and hereby there is established a Compensation Committee consisting of not less than three nor more than five members, which Committee shall have the following duties and responsibilities:

- (1) Review and approve the salaries of the elected officers of the Corporation;
- (2) Review executive salaries and salary ranges including procedures and comparisons utilized in arriving at such ranges;
- (3) Perform the duties of the Compensation Committee as provided in any bonus, stock option or incentive compensation plan of the Corporation;
- (4) Administer the 1980 Long-Term Incentive Plan, the 1971 Stock Option Plan and any stock option plans assumed by the Corporation in connection with any merger or acquisition;
- (5) Advise and consult with management regarding pension and other benefit plans and significant compensation policies and practices; and

- (6) Review succession plans for the Chief Executive Officer of the Corporation.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Messrs. J. D. Barnes, W. L. L. Brown, Jr., A. C. Holmes and W. T. York be and hereby they are appointed to serve as members of the Compensation Committee with Mr. Brown as Chairman thereof.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in accordance with Section 31 of the Bylaws, there be and hereby there is established a Board Composition Committee consisting of not less than three nor more than seven members, which Committee shall have the following duties and responsibilities:

- (1) Establish criteria for the selection of directors of the Corporation;
- (2) In cooperation with the Chairman of the Board of Directors and the President, develop procedures for locating, screening and reviewing qualifications of candidates for director of the Corporation;
- (3) Select for presentation to the Board of Directors candidates for director of the Corporation; and
- (4) Consider on a continuing basis the composition, structure and functioning of the Board of Directors and from time to time recommend improvements to the Board of Directors.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Messrs. B. C. Ames, W. H. Bricker, P. E. Coldwell, G. Edwards, A. J. Tomlinson and W. T. York be and hereby they are appointed to serve as members of the Board Composition Committee, with Mr. Ames as Chairman thereof.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in accordance with Section 31 of the Bylaws, there be and hereby there is established an Administration Committee consisting of not less than three nor more than five members, at least half the members of which Committee shall constitute a quorum thereof, and which Committee shall have the responsibility of handling on behalf of the Board of Directors and where appropriate, in its name, routine administrative Board of Directors functions. Every action taken by the Administration Committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors next following the meeting of such Committee at which such action is taken. All actions of the Administration Committee shall be subject to revision or rescission by the Board of Directors to the extent that rights of third parties shall not have intervened. Any action taken by the Administration Committee may be certified by the Secretary or any Assistant Secretary of the Corporation as having been taken under the authority of the Board of Directors unless at the time of such certification such action of such Committee has been revised or rescinded by the Board of Directors.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that Messrs. W. H. Bricker, R. A. Hay, A. C. Holmes and A. J. Tomlinson be and hereby they are appointed to serve as members of the Administration Committee, with Mr. Bricker as Chairman thereof.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that in addition to (1) formal meetings, (2) telephone conference calls participated in by a majority of a committee and (3) unanimous written action without a meeting, whenever the chairman of any committee of this Board of Directors determines that a matter requiring action by

such committee can be adequately considered and acted upon by individual communication with, and polling of, a majority of the members of such committee, such action may be taken in such manner upon the chairman's written certification that he has polled at least a majority of such members, naming them, and that such majority has expressed its approval of such action.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the compensation of members of the Board of Directors, who do not receive a salary from the Corporation or its subsidiaries, shall be:

- (1) Twenty Thousand Dollars (\$20,000.00) per year; plus
- (2) One Thousand Dollars (\$1,000.00) for each Board of Directors meeting attended and One Thousand Dollars (\$1,000.00) for each committee meeting attended on days other than on which the Board of Directors meets.

RESOLVED that meetings of directors with outside persons (e.g., investment bankers) held on behalf of and at the request of the Corporation shall be treated the same as committee meetings insofar as compensation is concerned.

RESOLVED that all usual business expenditures incurred in connection with attendance by any director at any Board of Directors meeting, committee meeting or meeting with outside persons for which such director is entitled to a fee under the preceding resolutions shall be reimbursed.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that until the next annual meeting of stockholders, the regular meetings of the Board of Directors of this Corporation shall be held at the headquarters of the

Corporation or at such other place as may be determined by the Chairman of the Board of Directors at such local time as determined by the Chairman of the Board of Directors on the dates set forth below:

July 21, 1983
October 20, 1983
December 15, 1983

January 19, 1984
February 16, 1984
April 19, 1984

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the amended statement of Board Policies and Procedures as presented to the Board of Directors at this meeting, a copy of which is hereby ordered to be placed in the minute book following the minutes of this meeting, be and hereby it is approved and adopted, thereby superseding and replacing all previously adopted statements of Board Policies and Procedures.

There being no further business, the meeting was adjourned.


Secretary

DIAMOND SHAMROCK CORPORATION
BOARD OF DIRECTORS POLICIES AND PROCEDURES

I. BOARD OF DIRECTORS MATTERS

1. Membership

- a. The tenure of each director is subject to the pleasure of the full Board of Directors. A director should not stand for reelection to the Board of Directors after reaching age 65. In addition, a director should not stand for reelection to the Board of Directors after he ceases to be engaged in his principal occupation, unless in the judgment of the Board of Directors his continued service as a director is in the best interest of the Corporation. Any officer of the Corporation who serves as a director is expected to submit his resignation to the Board of Directors when he retires or resigns as an officer. Such resignation shall be accepted by the Board of Directors unless in the judgment of the Board of Directors such officer's continued service as a director is in the best interest of the Corporation.
- b. Outside directors should be persons of proven judgment and significant experience. They should be able and willing to devote close and objective attention to the well-being of the Corporation. A balanced background of business or related experience is desirable among outside members of the Board of Directors.

2. Meetings

- a. The Board of Directors presently plans to meet six times a year on the third Thursday of January, February, April, July, October and December. The third Thursdays of other months should be held open for possible meetings, if required.
- b. The Board of Directors is interested in seeing the physical properties of the Corporation and several meetings each year will normally be devoted to field trips.
- c. The Board of Directors desires to have presentations made to it on various aspects of the business.
- d. As a general rule (subject to justifiable exception), directors should be advised of

significant agenda items and should be furnished with appropriate supporting materials in advance of meetings of the Board of Directors and committees.

- e. An annual agenda showing the time when various Board of Directors activities will be handled should be prepared and adhered to as closely as possible.

3. Compensation

The Board of Directors believes that outside members should be appropriately compensated for their service on the Board of Directors, both in the form of an annual retainer and by fees for attending meetings. The Chief Executive Officer should feel free to ask for their advice and assistance as needed between meetings.

4. Management's Authority

- a. The Board of Directors recognizes that it is the responsibility of management to operate the business in accordance with established Board of Directors policies and, hence, it will not generally concern itself with routine management or with operating details.
- b. The Chief Executive Officer, Chief Operating Officer or Vice Chairman may authorize individual appropriations of up to \$5,000,000.00 within a cumulative total of capital expenditures established and approved each year by the Board of Directors.
- c. The Chief Executive Officer, Chief Operating Officer or Vice Chairman may authorize acquisitions or disposals of property of the Corporation with a value of up to \$5,000,000.00 for each item.
- d. The Chief Executive Officer, Chief Operating Officer or Vice Chairman may authorize acquisitions or long-term leases of real or personal property, involving rentals or other periodic payments, or guarantees thereof, of up to \$5,000,000.00 annually for each transaction.
- e. The Chief Executive Officer, Chief Operating Officer or Vice Chairman may authorize expenditures for acquisition, exploration, or development of oil and gas, coal, other mineral

or timber resources within a cumulative total of capital expenditures established and approved each year by the Board of Directors.

- f. The Chief Executive Officer, Chief Operating Officer or Vice Chairman, in connection with the conduct of the regular business of the Corporation, may authorize, in accordance with the Corporation's administrative rules and procedures as prescribed from time to time, bid and sale contracts and licensing agreements on behalf of the Corporation containing such terms and conditions as such officer deems appropriate.
- g. The Chief Executive Officer, Chief Operating Officer or Vice Chairman, in connection with the conduct of the regular business of the Corporation, may authorize, in accordance with the Corporation's administrative rules and procedures as prescribed from time to time, contracts for the purchase of raw materials and supplies, including utility contracts containing such terms and conditions as such officer deems appropriate.
- h. The Chief Executive Officer, Chief Operating Officer or Vice Chairman may delegate to any officer or full-time employee of the Corporation such authority within their own limits of authority as they deem appropriate.

5. Board of Directors Responsibilities

- a. Select the Chief Executive Officer and assure that he identifies on a continuing basis his possible successors, either from within or from outside the Corporation.
- b. Elect and remove corporate officers.
- c. Approve corporate objectives and the long-range strategy to achieve those objectives, all based on recommendations of the Chief Executive Officer.
- d. Appraise annually the performance of the Chief Executive Officer in managing the Corporation so as to achieve its objectives.
- e. Declare dividends.

- f. Approve all amendments of the certificate of incorporation and of the bylaws.
- g. Have general corporate oversight responsibility.
- h. Determine size of Board of Directors and fill vacancies on the Board of Directors.
- i. Appoint committees of the Board of Directors and fill vacancies on such committees.
- j. Approve terms of any merger or consolidation of the Corporation with another corporation and approve all definitive agreements for such transactions prior to consummation.
- k. Approve sale, lease, or exchange of all or substantially all the property or assets of the Corporation or its dissolution.
- l. Approve all capital expenditures, other than those within the authority of the Chief Executive Officer, Chief Operating Officer or Vice Chairman.
- m. Authorize all issuances of stock, including treasury stock, for any proper corporate purposes.
- n. Exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by certificate of incorporation or by the bylaws directed or required to be exercised or done by the stockholders.

6. Disability of the Chief Executive Officer

In the event of a disability which would prevent the Chief Executive Officer from discharging the duties of his office, he or the President shall immediately inform the Secretary of the Board of Directors who will promptly notify the members of the the Executive Committee of the Board of Directors. If the Executive Committee concurs in the determination of disability, the President shall become the acting Chief Executive Officer and will serve in that capacity until such Committee shall have determined that the disability of the Chief Executive Officer has been overcome and he is able to resume his duties, or the Board of Directors shall have elected his successor.

II. COMMITTEES OF THE BOARD OF DIRECTORS

Committees of the Board of Directors, their membership, and their responsibilities, are established at the annual organization meeting of the Board of Directors.

The Executive Committee has full authority (subject to the provision of I,5, a-k above) to act between regular meetings of the Board of Directors. However, in addition to the limitations described above, the Board of Directors believes that matters of major policy should be determined by the full Board of Directors.

The Administration Committee has full authority (subject to the provision of I,5, a-m above) to handle routine administrative Board of Directors functions.

III. CORPORATE POLICY MATTERS

The Board of Directors adopts and endorses the statement of corporate policies set forth in the Corporate Policies booklet dated July 16, 1979, as amended and supplemented. From time to time, the Board of Directors may find it desirable to establish policy statements on other subjects for guidance of the officers and employees of the Corporation.

April, 1983

MINUTES of the Regular Meeting
of the Board of Directors of
Diamond Shamrock Corporation
held at 717 North Harwood
Street, Dallas, Texas, on
Thursday, February 17, 1983,
at 1:00 p.m.

PRESENT: Messrs. Ames, Barnes, Bricker, Brown, Coldwell,
Edwards, Hay, Holmes, Kimbell, Rush and Tomlinson.

ABSENT: Mr. York.

Also present were Messrs. Ahlstrom, Kelley, and
McDoulett.

Mr. McDoulett, Vice President, Development, briefly
outlined a possible acquisition to the Board. The Directors
asked a several questions which were answered by the officers
present.

Mr. Ahlstrom, Vice President, Finance, recommended
that the Board approve an agreement with Lazard Freres & Co. to
acquire from that firm \$27,500,000 principal amount of the
Corporation's 7-3/4% Sinking Fund Debentures on substantially
the same terms as had been discussed at the December meeting.
After discussion the Board, upon motion duly made, seconded and
unanimously carried, adopted the following resolutions:

RESOLVED that transactions contemplated in
the Option Agreement, including the Exchange
Agreement and Plan of Reorganization
attached as an exhibit thereto (hereinafter
collectively referred to as the "Option")
between the Corporation and Institutional
Leasing, Inc. (hereinafter referred to as
"Institutional") providing for the
acquisition by the Corporation of up to
\$27,500,000 principal amount of the
Corporation's 7-3/4% Sinking Fund Debentures

due August 1, 1994 (hereinafter referred to as the "Debt Securities") for cash or Common Stock of the Corporation, or for the sale of such Debt Securities by Institutional, all as specified in the form of the Option presented to the Board, is hereby authorized and approved.

FURTHER RESOLVED that the Chairman, President, any Vice President, Treasurer and Assistant Treasurer be, and each of them hereby is, authorized and empowered for and on behalf and in the name of the Corporation to execute and deliver the Option in substantially the form presented at this meeting, with such changes therein as the officer executing the same shall with the advice of counsel approve, his execution thereof to be conclusive evidence of such approval.

FURTHER RESOLVED that in the event the Corporation desires to exercise its right to acquire the Debt Securities in exchange for Common Stock of the Corporation, the Executive Committee of the Board hereby is authorized and empowered to fix the number of shares of the Common Stock without par value of the Corporation to be exchanged and to authorize such other actions as deemed necessary to effectuate the foregoing.

FURTHER RESOLVED that the officers or assistant officers of the Corporation be, and each of them hereby is, authorized for and on behalf and in the name of the Corporation, to execute, certify, deliver, file and record all such documents and instruments and to take or cause to be taken all such other action which in the judgment of the officer or assistant officers or any of them may be necessary or advisable to carry out the terms of the Option and to carry out each of the foregoing resolutions and the intent and purpose thereof.

Mr. Ahlstrom then discussed existing limitations on the Corporation's borrowing capacity as a result of covenants

contained in certain of the Corporation's indentures and loan agreements, and recommended that the Board authorize the redemption or repurchase of certain outstanding debt issues and the amendment of certain indentures which contained such covenants. After full discussion the Board, upon motion duly made, seconded and unanimously carried, adopted the following resolutions:

RESOLVED that the redemption, prepayment or purchase of the Corporation's outstanding 4-1/2% Notes due 1987, 4.65% Notes due 1989, 9% Senior Notes due 1992, 9.50% Senior Notes due 1993, 12.75% Senior Notes due 1995, 4-5/8% Sinking Fund Debentures due 1987, 7-3/4% Sinking Fund Debentures due 1994 and 8-1/4% Sinking Fund Debentures due 1996 for an aggregate of approximately \$165,000,000 be, and hereby is authorized and approved.

FURTHER RESOLVED that the Chairman, President, any Vice President, Treasurer and any Assistant Treasurer be, and each of them hereby is, authorized and empowered to take or cause to be taken all actions which in the judgment of any of such officers may be necessary or advisable (such determination to be exclusively evidenced by the taking of such action) to carry out the foregoing resolution and the intent and purpose thereof including the giving of all notices and the depositing of cash for the benefit of the holders of any of the debt securities identified in the foregoing resolution with any trustee or other appropriate person for the purpose of causing such debt securities to be deemed no longer outstanding.

FURTHER RESOLVED that the Chairman, President, any Vice President, Treasurer and any Assistant Treasurer be, and each of them hereby is, authorized and empowered on behalf of the Corporation to negotiate, execute and deliver any agreements or any amendments to existing agreements as any of them may determine (such determination to be exclusively evidenced by the taking of such

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

Mr. Kelley, Vice President and General Counsel, discussed certain proposed Bylaw amendments relating to procedures for calling special meetings of stockholders, for stockholder action by unanimous written consent, and for nominations of directors. After full discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that the following amendments to the Bylaws of the Corporation are hereby adopted:

1. Amend Bylaw number 5 to read as follows:

5. Special Meetings. Special meetings of the stockholders for any purpose may be called by the Chairman of the Board, and shall be promptly called by the Chairman of the Board or in his absence by the Secretary at the written request of a majority of the Board, upon not less than 10 nor more than 60 days written notice. The request shall be sent to the Chairman of the Board and the Secretary and shall state the purposes of the proposed meeting. Special meetings of holders of the outstanding preferred stock of the corporation may be called in the manner and for the purposes provided in the corporation's certificate of incorporation. Business transacted at special meetings shall be confined to the purposes stated in the notice.

2. Insert new Bylaws numbered 12, 13 and 14 under a heading "CONSENTS TO CORPORATE ACTION" before the present heading "DIRECTORS", such new Bylaws to read as follows:

CONSENTS TO CORPORATE ACTION

12. Record Date. The record date for determining stockholders entitled to express consent to corporate action, including without limitation any action relating to any amendment or repeal of these bylaws, in writing without a meeting shall be fixed by the Board. Any stockholder seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall, by written notice, request the Board to fix a record date. The Board shall, upon receipt of such a request, fix the record date as the 15th day following receipt of the request or such later date as may be specified by such stockholder. If the record date falls on a Saturday, Sunday or legal holiday, the record date shall be the day next following which is not a Saturday, Sunday or legal holiday.

13. Date of Consent. The date for determining if an action has been consented to by the holder or holders of shares of outstanding stock of the corporation having the requisite voting power to authorize or take the action specified therein (the "Consent Date") shall be the 31st day after the date on which materials soliciting consents are mailed to stockholders of the corporation or, if no such materials are required to be mailed under applicable law, the 31st day following the record date fixed by the Board pursuant to Section 12 of these bylaws. If the Consent Date falls on a Saturday, Sunday or legal holiday, the Consent Date shall be the day next following which is not a Saturday, Sunday or legal holiday.

14. Procedures. In the event of the delivery to the corporation of a written consent or consents purporting to authorize, take or revoke corporate action (each such written consent is referred to in this Section 14 as a "Consent"), the Secretary of the corporation shall provide for the safe-keeping of such Consent and shall conduct such reasonable investigation as he deems necessary or appropriate for the purpose of ascertaining the validity of such Consent and all matters incident thereto, including, without limitation, whether the holders of shares having the requisite voting power to authorize or take the action specified in the Consent have given consent; provided, however, that if the corporate action to which the Consent relates is the removal or

replacement of one or more members of the Board, the Secretary of the corporation shall designate two persons, who may not be members of the Board, to serve as Inspectors with respect to such Consent and such Inspectors shall discharge the functions of the Secretary of the corporation under this Section 14. If after such investigation the Secretary or the Inspectors (as the case may be) shall determine that the Consent is valid, that fact shall be certified on the records of the corporation kept for the purpose of recording the proceedings of stockholders, and the Consent shall be filed in such records, at which time the Consent shall become effective as stockholder action; provided, however, that neither the Secretary nor the Inspectors (as the case may be) shall make such certification or filing, and the Consent shall not become effective as stockholder action, until the final termination of any proceedings which may have been commenced in the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for an adjudication of any legal issues incident to determining the validity of the Consent, unless and until such Court shall have determined that such proceedings are not being pursued expeditiously and in good faith. In conducting the investigation required by this Section 14, the Secretary or the Inspectors (as the case may be) may, at the expense of the corporation, retain special legal counsel and any other necessary or appropriate professional advisors, and such other personnel as they may deem necessary or appropriate, to assist them.

3. Insert new Bylaws numbered 15, 16, 17, 18 and 19 under a heading "NOMINATIONS OF DIRECTOR CANDIDATES" before the present heading "DIRECTORS", such new Bylaws to read as follows:

NOMINATIONS OF DIRECTOR CANDIDATES

15. Eligibility to Make Nominations. Nominations of candidates for election as directors of the corporation at any meeting of stockholders called for election of directors (an "Election Meeting") may be made by the Board of Directors or by any stockholder entitled to vote at such Election Meeting.

16. Procedure for Nominations by the Board. Nominations by the Board shall be made not less than 30 days prior to the date of an

Election Meeting. At the request of the Secretary of the corporation each proposed nominee shall provide the corporation with such information concerning himself as is required under the rules of the Securities and Exchange Commission, to be included in the corporation's proxy statement soliciting proxies for the election of such nominee as a director.

17. Procedure for Nominations by Stockholders. Not less than 30 days prior to the date of an Election Meeting any stockholder who intends to make a nomination at such Election Meeting shall deliver a written notice to the Secretary of the corporation setting forth (i) the name, age, business address and residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of each such nominee, (iii) the number of shares of capital stock of the corporation which are beneficially owned by each such nominee and (iv) such other information concerning each such nominee as would be required, under the rules of the Securities and Exchange Commission, in a proxy statement soliciting proxies for the election of such nominee as a director. Such notice shall include a signed consent to serve as a director of the corporation, if elected, of each such nominee.

18. Substitution of Nominees. In the event that a person is validly designated as a nominee in accordance with Section 16 or Section 17 hereof and shall thereafter become unable or unwilling to stand for election to the Board of Directors, the Board of Directors or the stockholder who proposed such nominee, as the case may be, may designate a substitute nominee upon delivery not less than 5 days prior to the date of an Election Meeting a written notice to the Secretary of the Corporation setting forth such information regarding such substitute nominee as would have been required to be delivered to the Secretary pursuant to Section 16 or Section 17, as the case may be, had such substitute nominee been initially proposed as a nominee. Such notice shall include a signed consent to serve as a director of the corporation, if elected, of each such substitute nominee.

19. Determination of Compliance with Procedures. If the Chairman of the Election Meeting determines that a nomination of any candidate for election as a director of the corporation was not made in accordance with Sections 15, 16, 17 and 18, such nomination shall be void.

4. Re-number and revise the Bylaws as appropriate to reflect the insertion of new Bylaws 12, 13, 14, 15, 16, 17, 18 and 19.

Mr. Kelley then recommended the amendment of the Corporation's Employee Savings Plan and Employee Stock Ownership Plan to give participants investment discretion in the event of a tender offer for shares of the Corporation's Common Stock, and to allow partial withdrawal of vested employee accounts from the Employee Savings Plan. Thereupon, the Board, upon motion duly made, seconded and unanimously carried, adopted the following resolutions:

RESOLVED that the Employee Stock Ownership Plan Committee and the Employee Savings Plan Committee, respectively, of the Corporation be and hereby are authorized and empowered to approve and adopt changes to the Diamond Shamrock Employee Stock Ownership Plan and the Diamond Shamrock Corporation Employee Savings Plan, and the trust agreements made pursuant thereto, to provide that the trustee appointed under each said plan shall not, in response to any tender offer for shares of Common Stock of the Corporation subject to Section 14(d)(1) of the Securities Exchange Act of 1934, tender shares of Common Stock of the Corporation held in trust by such trustee for the benefit of any participant therein unless the trustee receives specific written instructions to tender such shares from the participant to whose account such shares are credited.

FURTHER RESOLVED that the Employee Savings Plan Committee of the Corporation be and hereby is authorized and empowered to approve and adopt changes to the Diamond Shamrock Corporation Employee Savings Plan to provide that a participant may voluntarily withdraw any portion of his vested corporate account and of his participant account for which the corporate account has vested.

FURTHER RESOLVED that the aforesaid plans as amended and/or restated pursuant to the foregoing resolutions be and the same hereby are deemed approved and adopted by the Corporation, provided a copy of each of such amendment or restatement be inserted in the permanent records of the Corporation.

FURTHER RESOLVED that the Employee Stock Ownership Plan Committee and the Employee Savings Plan Committee of the Corporation be and hereby are authorized and empowered to approve and adopt such rules and guidelines with respect to the implementation of the aforesaid amendments to said Plans as are necessary or appropriate.

FURTHER RESOLVED that each of the appropriate officers of the Corporation and each member of the Employee Stock Ownership Plan Committee and the Employee Savings Plan Committee be and each of them hereby is authorized for and in the name of the Corporation to prepare, execute, certify and deliver all documents, certificates, consents and papers, and to do and cause to be done all acts and things, as may be requested or required or as any of such persons may deem desirable in order to carry out the intent of the foregoing resolutions, all such documents, certificates, consents and papers to be in such form as such person executing the same shall approve, and all that such officers and members may do under or by reason of this or the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that such further specific resolutions as may be required in connection

with the approval and adoption of changes to the aforesaid plans as contemplated above be and hereby they are deemed adopted and such resolutions may be certified by the Secretary of the Corporation as having been adopted at this meeting provided that a copy thereof be attached to the minutes of this meeting.

At this point, Mr. Hay excused himself from the meeting and Messrs. Carlton, Epps, Groves, Jackson, Olivier and Stewart joined the meeting.

At the request of the Chairman, Mr. Ahlstrom reported on the financial condition of the Corporation. The financial statements of the Corporation for the year ended December 31, 1982 were discussed and changes in format from that of the prior year explained. Mr. Ahlstrom then discussed the January 1983 financial statements, and first quarter results.

Mr. Tomlinson asked the Unit Presidents to report to the Board on the operations of their respective units which each of them did. Among other matters reported to the Board, Mr. Stewart stated that management was studying the divestiture of the Corporation's specialty and agricultural chemicals businesses. Management would report the results of the study to the Board at a future meeting.

At the request of the Chairman, Mr. McDoulett presented for Board approval a proposal to sell Amherst Industries, Inc. and Madison Coal and Supply Company, Inc. to a group of investors, including Charles T. Jones, Herbert E. Jones, Jr., Adeline Jones Voorhees, Joseph L. Lewis IV and

O. Nelson Jones. The proposed transactions, which had been under discussion for several months, involve the sale or exchange of the stock of the aforementioned companies for cash, notes and shares of the Corporation's Common Stock. After the proposed stock transactions, the Corporation will purchase certain coal properties owned by Amherst Industries, Inc.

After discussion, upon motion duly made, seconded and unanimously carried, the Board

RESOLVED that the sale by Amherst Coal Company, a wholly owned subsidiary of the Corporation, of all of the issued and outstanding stock of Amherst Industries, Inc. to Port Amherst, Ltd., a West Virginia corporation, for approximately \$11,000,000 in cash and notes be and the same hereby is authorized and approved.

FURTHER RESOLVED that the exchange by Amherst Coal Company of all of the issued and outstanding stock of Madison Coal and Supply Company, Inc. for shares of common stock of the Corporation now owned by Charles T. Jones, Herbert E. Jones, Jr., Adeline Jones Voorhees, Joseph L. Lewis IV and O. Nelson Jones, having an aggregate value of \$3,000,000 as determined on the basis of the greater of (i) the average per share closing market price of such common stock for the 20 trading days immediately preceeding the date of the exchange, or (ii) \$19.00 per share, be and the same hereby is authorized and approved.

FURTHER RESOLVED that the lease by Amherst Coal Company, or one or more of its affiliates or subsidiaries, of certain coal properties for minimum annual royalty payments in the aggregate sum of \$11,000,000 or an appropriate per ton royalty on all coal mined therefrom and sold, whichever is greater, and the purchase of certain other minerals found thereunder for a sum of \$150,000 and the guarantee of said royalty payments by Amherst Coal Company, be and the same hereby is authorized and approved.

FURTHER RESOLVED that the President or any Vice President of the Corporation be, and each of them hereby is, authorized to negotiate and execute, in the name and on behalf of the Corporation all definitive agreements as may be advisable or appropriate in order to carry out the transactions contemplated by the foregoing resolutions, and to carry out the intent of such resolutions, all such agreements, supplements or modifications thereto to be in such form and to contain such terms as the officer executing the same shall approve, his execution thereof to be conclusive evidence of his approval, and all that 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 appropriate officers and employees of the Corporation be, and each of them hereby is, authorized to prepare, execute, certify and deliver such further 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 such officers may deem advisable or appropriate 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 person executing the same shall approve, his execution thereof to be conclusive evidence of his approval, and all that such officer may do under or by reason of this and the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board this date provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

Mr. McDoulett then discussed the proposed disposition of Gensco, Inc., a wholly owned subsidiary of Sigmor Corporation engaged primarily in the purchase, resale and finishing of tubing, casing and related pipe products. Management's intention to sell Gensco, Inc. had initially been discussed with the Board at the time the Sigmor acquisition was authorized in July of 1981.--

After full discussion, the Board, upon motion duly made, seconded and unanimously carried, resolved as follows:

RESOLVED that the sale by Sigmor Corporation, a wholly owned subsidiary of the Corporation, of all of the issued and outstanding shares of Gensco, Inc. for approximately \$60,000,000 in cash, notes and stock of the purchaser be and the same hereby is authorized and approved.

FURTHER RESOLVED that the President and any Vice President of the Corporation be, and each of them hereby is, authorized to negotiate and execute, for and in the name of Sigmor and in the name of the Corporation, a definitive agreement for the sale of all of the shares of common stock of Gensco, Inc. as contemplated by the foregoing resolution, such 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 be, and each of them hereby is, authorized to prepare, execute, certify and deliver such further 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 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 any specific resolution required for the purpose of carrying out the transactions contemplated by the foregoing resolutions is hereby deemed adopted and may be certified as having been adopted by the Board this date provided that a copy thereof is inserted in the minute book following the minutes of this meeting.

Mr. Tomlinson, President of the Corporation, presented the statements of oil and gas production expenditures and new and supplemental appropriations of the Corporation for the month of January, 1983, which were ordered identified for the Corporation's permanent file and filed therein.

After discussion the Board, 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 January, 1983, in the net total amount of \$17,606,759 be and the same hereby are ratified and approved.

Mr. Edwards, Chairman of the Audit Committee, reported on matters discussed at the regular meeting of the Audit Committee held this date. He stated that the Committee reviewed the status of the year-end audit, approved non-audit services to be performed by Price Waterhouse in 1983 and reviewed with Price Waterhouse and the Operations Auditing Department their proposed audit plans for 1983.

Mr. Edwards then recommended on behalf of the Audit Committee that the Board appoint Price Waterhouse as independent accountants for the Corporation for the 1983 fiscal year, subject to ratification by the stockholders. Accordingly, after discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolution:

RESOLVED that Price Waterhouse be and hereby it is appointed, subject to ratification by the stockholders, to audit the accounts and records and to certify the financial statements of the Corporation and its consolidated subsidiaries for the year 1983, and that such appointment be and hereby it is recommended for ratification by the stockholders at the 1983 Annual Meeting of Stockholders.

Mr. Brown, Chairman of the Compensation Committee, was then asked to report on the meeting of the Committee held this date. Mr. Brown stated that the Committee had approved the 1983 salary administration program and reviewed Performance Incentive Plan targets for certain officers and key employees. In addition, it had approved resolutions with respect to options issued under the Corporation's stock option plans which among other things assured employees that they would receive their benefits in the event of a change in control of the Corporation as a result of a tender offer. The Committee also approved employment agreements with Messrs. Epps, Groves and McDoulett and approved amendments to the existing employment contracts of Messrs. Rush and Olivier.

The Chairman then stated that it would be necessary at this time, in preparation for the 1983 Annual Meeting of Stockholders, to designate management's nominees for director. After discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that the Board of Directors fix the number of directors to be elected at the 1983 Annual Meeting of Stockholders at twelve (12).

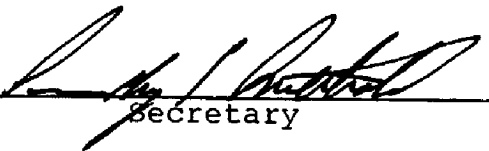
FURTHER RESOLVED that the following individuals be proposed by the Board of Directors of the Corporation at the Annual Meeting of Stockholders to be held on April 21, 1983, as nominees for election as

directors to serve until the next Annual Meeting of Stockholders:

B. Charles Ames
J. David Barnes
William H. Bricker
W. L. Lyons Brown, Jr.
Philip E. Coldwell
Gene Edwards
Raymond A. Hay
Allen C. Holmes
John T. Kimbell
J. Avery Rush
Allan J. Tomlinson
W. Thomas York

The minutes of the regular meeting of the Board of Directors held on January 20, 1983 were approved as submitted by the Secretary.

Thereupon, there being no further business, the meeting was adjourned.


Secretary

RESOLVED that the Corporation execute and deliver to Texas Commerce Bank National Association, Houston (the "Lender"), a national banking association, the following documents and instruments substantially in such form as the officer of this Corporation executing the same may in his or her discretion approve:

- (a) a limited guaranty (" \$9,000,000 Revolver Guaranty") whereby this Corporation shall guarantee payment of a portion of all indebtedness and obligations of Gensco, Inc. ("Gensco") to the Lender, now or hereafter existing, arising out of or in connection with (i) that certain Loan Agreement executed or to be executed by Gensco and the Lender, as the same may be amended or supplemented from time to time (" \$9,000,000" Revolving Loan Agreement") providing for a \$9,000,000 revolving credit and letter of credit facility, and (ii) the Note, the Applications and the Deed of Trust (as such capitalized terms are defined in the \$9,000,000 Revolving Loan Agreement), with said Guaranty to also cover interest on said indebtedness and all expenses and costs of collecting said indebtedness and said Guaranty; and
- (b) a limited guaranty (" \$3,250,000 Term Guaranty") whereby this Corporation shall guarantee payment of a portion of all indebtedness and obligations of Gensco to the Lender, now or hereafter existing, arising out of or in connection with (i) that certain Term Loan Agreement executed or to be executed by Gensco and the Lender, as the same may be amended or supplemented from time to time ("Term Loan Agreement"), providing for a \$3,250,000 term loan facility, and (ii) the Note and Deed of Trust (as such terms are defined in the Term Loan Agreement), with said \$3,250,000 Term Guaranty to also cover interest on said indebtedness and all expenses and costs of collecting said indebtedness and Guaranty; and
- (c) a guaranty (" \$47,000,000 Purchased Note Guaranty") whereby this Corporation shall guarantee payment of (i) all indebtedness and obligations of Gensco to the Lender

arising out of those two certain promissory notes issued or to be issued by Gensco, each payable to the order of Sigmor Corporation ("Sigmor"), in the respective principal sums of \$32,000,000 or \$15,000,000, which notes were or shall be transferred and assigned to the Lender by Sigmor pursuant to the terms of a Note Purchase and Rebate Agreement ("Rebate Agreement") by and among the Lender, Sigmor and this Corporation, and (iii) all indebtedness and obligations of Sigmor under the Rebate Agreement, with said \$47,000,000 Purchased Note Guaranty to also cover interest on said indebtedness and all costs and expenses of collecting said indebtedness and Guaranty; and

(d) the Rebate Agreement.

RESOLVED FURTHER that the \$9,000,000 Revolver Guaranty, the \$3,250,000 Term Guaranty, and the \$47,000,000 Purchased Note Guaranty be hereinafter collectively called the "Guaranties";

RESOLVED FURTHER that the execution and delivery of the Guaranties and the Rebate Agreement to the Lender will benefit, directly or indirectly, this Corporation;

RESOLVED FURTHER that the Guaranties, the Rebate Agreement and other instruments as the Lender may reasonably require in connection with the Guaranties and Rebate Agreement shall be in form and substance satisfactory to the Lender and in form and substance approved by the officer of this Corporation executing the same, his or her approval of each such instrument to be conclusively evidenced by the execution thereof;

RESOLVED FURTHER that the President, any Vice President, the Secretary, any Assistant Secretary or Robert C. Becker, General Manager, Financial Operations of this Corporation be and each acting alone hereby is severally authorized and directed for and on behalf, and as the act and deed, of this Corporation to execute and deliver unto the Lender the Guaranties, the Rebate Agreement and such other instruments as the Lender may require, and to take such other action in the consummation of the transaction herein contemplated as the officer acting shall deem necessary or desirable, and any and all acts heretofore taken by the President, any Vice President, the Secretary or any Assistant Secretary of

this Corporation to such end are hereby expressly
ratified and confirmed as the acts and deeds of this
Corporation.

4177L

MINUTES of the Regular Meeting
of the Board of Directors of
Diamond Shamrock Corporation
held at 717 North Harwood
Street, Dallas, Texas, on
Thursday, January 20, 1983,
at 10:30 a.m.

PRESENT: Messrs. Ames, Barnes, Bricker, Brown, Coldwell,
Hay, Holmes, Kimbell, Rush, Tomlinson and York.

ABSENT: Mr. Edwards.

Also present were Messrs. Ahlstrom, Carlton,
Epps, Groves, Jackson, Kelley, McDoulett, Olivier and Stewart.

At the Chairman's request, Mr. Olivier, Vice
President, Technology & Planning, reviewed certain strategic
questions concerning the Corporation's Chemical Unit previously
discussed at the October meeting of the Board. Based on
management's assessment of the prospects for certain of those
businesses, Mr. Olivier stated that management was studying
their possible divestiture. Specifically, such divestitures
might involve specialty chemicals, agricultural chemicals and
animal health products.

The Chairman elaborated on management's plans and
advised the Board that management also intended to continue its
expense reduction program. The Chairman and Mr. Olivier then
responded to questions from the Directors, including questions
regarding the timing and financial impact of these transactions.

A presentation by Mr. McDoulett, Vice President,
Development, to the Board concerning the financial
characteristics of exploration and production businesses

compared to manufacturing businesses was followed by that of Mr. Olivier on the historical and projected future performance of the Corporation's exploration and production business. After their presentations Mr. McDoulett and Mr. Olivier responded to questions from the Directors.

Mr. Carlton, Vice President, described the pension supplement management recommended be made available to certain employees who elected early retirement due to elimination of their jobs. The pension supplement will be equal to the amount by which the regular retirement benefit is actuarially reduced for the early commencement of retirement plus the amount of social security offset.

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

RESOLVED that the Retirement Committee of the Corporation be and hereby is authorized and empowered to approve and adopt changes to the Diamond Shamrock Corporation Retirement Income Plan as are necessary or appropriate to provide a supplemental benefit to certain participants (designated by class in an amendment to such Plan) in the Plan who wish to voluntarily retire on or after February 1, 1983 and on or before February 28, 1983 and who are age 55 at February 1, 1983 or reach age 55 by February 28, 1983, such supplemental benefit to be equal to the amount by which the regular retirement benefit is actuarially reduced for early commencement of retirement plus the amount of the social security offset.

FURTHER RESOLVED that the aforesaid plan as amended and/or restated pursuant to the foregoing resolution be and the same hereby is deemed approved and adopted by the Corporation, provided a copy of each of such amendment or restatement be inserted in the permanent records of the Board of Directors.

FURTHER RESOLVED that the Retirement Committee of the Corporation be and hereby is authorized and empowered to approve and adopt such rules and guidelines with respect to the implementation of the aforesaid amendment to the Retirement Income Plan as are necessary or appropriate.

FURTHER RESOLVED that each of the appropriate officers of the Corporation and each member of the Retirement Committee be and each of them hereby is authorized for and in the name of the Corporation to prepare, execute, certify and deliver all documents, certificates, consents and papers, and to do and cause to be done all acts and things, as may be requested or required or as any of such persons may deem desirable in order to carry out the intent of the foregoing resolutions, all such documents, certificates, consents and papers to be in such form as such person executing the same shall approve, and all that such officers may do under or by reason of this or the foregoing resolutions is hereby confirmed and approved.

FURTHER RESOLVED that such further specific resolutions as may be required in connection with the approval and adoption of changes to the aforesaid plan as contemplated above be and hereby they are deemed adopted and such resolutions may be certified by the Secretary of the Corporation as having been adopted at this meeting provided that a copy thereof be attached to the minutes of this meeting.

The meeting was recessed for luncheon, reconvening at 1:00 p.m. with the same directors present as before.

The Chairman recommended to the Board the election of Riley M. Epps, President of the Refining and Marketing Unit, and C. Barton Groves, President of the Exploration and Production Unit as Vice Presidents of the Corporation. Thereupon, after full discussion, the Board upon motion duly made, seconded and unanimously carried, adopted the following resolution:

RESOLVED that Riley M. Epps and C. Barton Groves be and hereby each of them is elected a Vice President of the Corporation effective January 20, 1983.

Mr. Edwards joined the meeting at this point. Also rejoining the meeting were Messrs. Ahlstrom, Carlton, Epps, Groves, Jackson, Kelley, McDoulett, Olivier and Stewart.

The minutes of the regular meeting of the Board of Directors held on December 16, 1982 were approved as submitted by the Secretary.

The Secretary reported that the Executive Committee by unanimous written action dated December 22, 1982 reserved an additional 1,000,000 shares of Common Stock for issuance from time to time under the Employee Savings Plan. The Committee also authorized the registration of such shares under the Securities Act of 1933 and their listing on the New York and Pacific Stock exchanges.

At the request of the Chairman, the Secretary then reported to the Board the appointment pursuant to Section 28 of the Bylaws of the following officers:

<u>Name</u>	<u>Title</u>	<u>Effective Date</u>
<u>Chemical Unit</u>		
Lynn W. Babcock*	Vice President (Chlor-Alkali Business)	7/01/82
Girard E. Pfeil*	Vice President (Soda Products Business)	7/01/82
Clarence J. Ott*	Vice President (Finance)	7/01/82
Ronald L. Dezember*	Vice President and General Manager (Agricultural Chemicals)	1/01/83
<u>Refining and Marketing Unit</u>		
Dewey Mark	Unit Executive Vice President	8/01/82
John V. Cottle	Vice President and General Counsel	1/14/83
J. E. Prater**	Vice President (Refining & Engineering Group)	1/14/83
Wm. R. Klesse, Jr.	Vice President (Logistics & Strategy)	1/14/83
Robert Farmer	Vice President (Marketing Group)	1/14/83
Gary E. Johnson	Vice President (Finance)	1/14/83
J. Walden	Vice President (Retail Marketing - Sigmor)	1/14/83
Thomas Lyons	Vice President (Retail Marketing - Autotronics)	1/14/83
J. Jenkins	Vice President (Industrial Lubricants)	1/14/83
Robert V. Heard**	Vice President (Wholesale Marketing)	1/14/83
E. Leon Littleton**	Vice President (International Crude)	1/14/83
Donald L. Bird	Vice President (Engineering)	1/14/83
J. Robert Mehall	Vice President (Domestic Crude and NGL)	1/14/83
<u>Coal Unit</u>		
Thomas N. McJunkin***	President and General Manager, Amherst Coal Division	11/01/82
John W. Damato	Vice President (Exploration & Engineering)	1/01/83

Corporate

W. Van Alford, Jr.	Assistant Secretary	1/01/83
Allan Babcock	Assistant Secretary	1/01/83
John Cottle	Assistant Secretary	1/01/83
Fenton Farwell	Assistant Secretary	1/01/83
Mark Gentry	Assistant Secretary	1/01/83
Gary Johnson	Assistant Secretary	1/01/83
Gerry Telle	Assistant Secretary	1/01/83

- * Previously a Vice President in a former Chemical Unit organization
- ** Previously a Vice President in the former Oil & Gas Unit organization
- *** Previously a Vice President for Amherst Coal Company

The Chairman noted that the Board of Directors was scheduled to give consideration to the declaration of a dividend on the Corporation's \$2.07 Preferred Stock and Common Stock. Thereupon, after discussion, upon motion duly made, seconded and unanimously carried, the Board adopted the following resolutions:

RESOLVED that there be and hereby there is declared from the Corporation's consolidated earnings a dividend of 8-1/2 cents per share for the quarterly period ending March 14, 1983, on all shares of \$2.07 Cumulative Convertible Preferred Stock of the Corporation issued and outstanding at the close of business on February 18, 1983, payable in cash on March 15, 1983, and that February 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 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 February 18, 1983, payable in cash on March 7, 1983, and that February 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. Tomlinson, President of the Corporation, presented the statements of oil and gas exploration and production expenditures and new and supplemental appropriations of the Corporation for the month of December, 1982, which were ordered identified for the Corporation's permanent file and filed therein. After discussion the Board, upon motion duly made, seconded and unanimously carried, 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 December, 1982, in the net total amount of \$16,316,157 be and the same hereby are ratified and approved.

At the Chairman's request, Mr. Olivier reviewed for the Board the actual level of 1982 capital expenditures in the amount of \$606,588,000, exclusive of capitalized interest. Mr. Olivier asked the Board to approve an increase of \$91,588,000 from the 1982 Capital and Investment Expenditure Authorization previously approved by the Board.

After discussion, upon motion duly made, seconded and unanimously carried, the Board

RESOLVED that the Corporation's 1982 Capital and Investment Expenditure Authorization be and hereby it is ratified and approved in the amount of \$606,588,000 exclusive of capitalized interest.

The financial statements of the Corporation for the month of December, 1982, were reviewed for the Board by Mr. Ahlstrom, Vice President, Finance. The Board discussed the format in which the financial results were presented to it each month. The Board, while generally satisfied with the manner in which the financial results were presented, requested that periodically management provide it with a greater in-depth review of the Corporation's financial condition and modify the financial statement presentation to better present the financial condition of the Corporation's exploration and production business along the lines previously discussed.

Thereafter, upon motion duly made, seconded and unanimously carried it was

RESOLVED that the financial statements of the Corporation for the month of December, 1982, be received, identified for the Corporation's permanent file and filed therein.

Mr. Ahlstrom reported that management was considering a public debt offering in the first quarter of 1983 of between \$200,000,000 and \$300,000,000. The proceeds of such offering would be used to retire short-term debt. He also advised the Board that the negotiations with Lazard Freres & Co. regarding that firm's offer to sell the Corporation approximately \$22,000,000 principal amount of the Corporation's 7-3/4% Sinking Fund Debentures were proceeding on the basis reported last month.

At set forth in his memorandum of January 10, 1983, a copy of which is placed in the minute book following the minutes of this meeting, Mr. Epps recommended that the Board approve an appropriation of \$13,800,000 to construct a deasphalting unit at the Three Rivers Refinery.

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

RESOLVED that the proper officers of the Corporation be, and each of them hereby is, authorized and empowered to expend \$13,800,000 to construct a 7,000 BPD Deasphalting Unit at the Three Rivers Refinery. 554-020-AFE-2000

Mr. Tomlinson asked the Unit Presidents to report to the Board on the operations of their respective units. Each of the Unit Presidents discussed their respective Units' year-end results and prospects for 1983. Among other matters, it was reported that the Sigmor acquisition had been consummated on January 14, 1983.

Mr. Kelley, Vice President and General Counsel, was then asked to discuss certain proposed charter and bylaw amendments. Mr. Kelley outlined to the Directors certain amendments to the charter and bylaws which management was considering. Such amendments are designed to insure fair treatment of all of the Corporation's stockholders in the event of a takeover bid for the Corporation, and to insure that the Directors have the time and discretion to analyze a takeover

bid and respond to it effectively. Mr. Kelley responded to questions from the Directors, after which the Chairman suggested that a memorandum be prepared discussing such amendments for the Board's consideration at its next meeting.

At the Chairman's request, the Secretary stated that it would be necessary at this time in preparation for the 1983 Annual Meeting of Stockholders to set the date, time and place of the meeting; to set the record date; to designate management proxies; to appoint inspectors of election; to fix the number of directors; to authorize the Board Composition Committee to designate nominees for director; to authorize the preparation of proxy materials; and to adopt rules governing the conduct of the meeting.

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

RESOLVED that the Corporation's 1983 Annual Meeting of Stockholders ("Annual Meeting") be held at 12:00 Noon, Dallas time, on April 21, 1983, in the Plaza of the Americas Hotel, Dallas, Texas.

RESOLVED that February 22, 1983, be and hereby it is fixed as the record date for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting.

RESOLVED that W. H. Bricker and A. J. Tomlinson be, and hereby they are, appointed as Proxies for the Annual Meeting.

RESOLVED that B. W. Bedy and N. R. Green be, and hereby they are, appointed inspectors of election to serve at the Annual Meeting.

RESOLVED that the number of directors of the Corporation to be elected at the Annual Meeting be, and hereby it is, fixed at twelve (12).

RESOLVED that the Board Composition Committee of the Board of Directors of the Corporation be, and hereby it is, authorized and empowered to propose for and on behalf of the Board of Directors at the Annual Meeting nominees for election as director to serve for such term as the Committee may recommend consistent with the Restated Certificate of Incorporation, as amended, and Bylaws, as amended, of the Corporation.

RESOLVED that there be submitted to the stockholders of the Corporation at the Annual Meeting for their consideration and approval the amendment of the 1980 Long-Term Incentive Plan of the Corporation approved by the Board of Directors effective April 27, 1982, subject to ratification of the stockholders, providing for the grant of Incentive Stock Options pursuant to Section 422A of the Internal Revenue Code of 1954, as amended.

RESOLVED that the proposed amendments to the 1980 Long-Term Incentive Plan be, and hereby they are, recommended to the stockholders of the Corporation for approval at the Annual Meeting.

RESOLVED that the officers of the Corporation, and each of them, are hereby authorized and directed to prepare all proxy materials required in connection with the Annual Meeting, including a notice of meeting, proxy statement, letter to stockholders, and management proxy, and the Secretary is hereby authorized and directed to cause the mailing of such documents to each stockholder of the Corporation of record entitled to notice of the Annual Meeting.

RESOLVED that the statement of rules for the conduct of the Annual Meeting, a copy of which is hereby ordered to be placed in the minute book following the minutes of this meeting be, and hereby is approved and adopted, thereby superseding and replacing all previously adopted statements of rules.

The Secretary then requested that the Board authorize the payment of awards under the former (Deferred) Incentive Compensation Plan. Thereupon, the Board, upon motion duly made, seconded and unanimously carried, adopted the following resolutions:

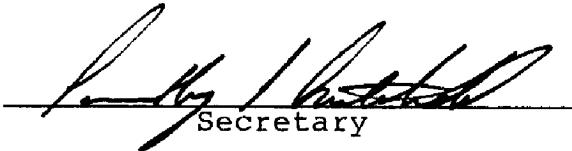
RESOLVED that pursuant to the (Deferred) Incentive Compensation Plan which has heretofore been repealed except as to awards granted prior to the date of such repeal, the Secretary of the Corporation is authorized to execute and deliver unissued or treasury stock aggregating 7,262 shares to persons granted awards under said Plan, or for their account, in such amount to each as has been determined pursuant thereto.

FURTHER RESOLVED that Common Stock of the Corporation used in making payment in 1983 of any deferred awards be valued at the closing market price on the New York Stock Exchange on January 20, 1983, the date of this meeting.

FURTHER RESOLVED that the conversion of dividend equivalents into Common Stock of the Corporation in January, 1983, as provided for in Article IV, Paragraph 8, of the Corporation's (Deferred) Incentive Compensation Plan shall be calculated by

valuing such stock at the closing market price on the New York Stock Exchange on January 20, 1983.

Thereupon, there being no further business, the meeting was adjourned.


Secretary

0243S

Conduct of the Annual Meeting

In the interest of a fair and orderly meeting and to accommodate all stockholders who may wish to address the meeting, the following rules have been adopted by the Board of Directors:

1. Only stockholders or their proxies may address the meeting. The business of the meeting will be considered in the general order set forth in the agenda. Questions or comments should be confined to the specific agenda item under consideration.
2. To address the meeting, please stand at an appropriate time to be recognized by the chairman. A microphone will be brought to you and the host or hostess standing at the front of your section will help you get the chairman's attention. Upon being recognized, please state your name, residence, and whether you are a stockholder or proxy for a stockholder. Each speaker will be allowed a reasonable amount of time to present his or her views. The Board of Directors has requested the chairman to decide, in his sole discretion, when the floor must be yielded to the next speaker.
3. If there are any personal matters you would like to discuss, please take them up with representatives of management who will be available before and after the meeting.