

ECOLAB INC
Form 4
July 31, 2006

FORM 4

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
SCHMECHEL DANIEL J

(Last) (First) (Middle)

**ECOLAB INC., 370 WABASHA
STREET N.**

(Street)

ST. PAUL, MN 55102

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
ECOLAB INC [ECL]

3. Date of Earliest Transaction
(Month/Day/Year)
07/27/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
☒ Officer (give title below) ____ Other (specify
below) below)

Senior VP & Controller

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/27/2006		M	4,000	A \$ 7.5938	24,320.426	D
Common Stock	07/27/2006		F ⁽¹⁾	1,790	D \$ 42.33	22,533.315 ⁽²⁾	D
Common Stock						2,255.029 ⁽³⁾	I

By Ecolab
Savings
Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form**

SEC 1474
(9-02)

displays a currently valid OMB control number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
Employee Stock Option (Right to Buy)	\$ 7.5938 (4)	07/27/2006		M	4,000 (4)	08/16/1997(4) 08/16/2006	Common Stock 4,000

Reporting Owners

Reporting Owner Name / Address	Relationships
SCHMECHEL DANIEL J ECOLAB INC. 370 WABASHA STREET N. ST. PAUL, MN 55102	Director 10% Owner Officer Other Senior VP & Controller

Signatures

/s/David F. Duvick, Attorney-in-fact for Daniel J. Schmechel 07/31/2006

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects the reporting person's payment of the exercise price and withholding taxes for a stock option issued in accordance with Rule 16b-3 by withholding shares of Ecolab Common Stock.
- (2) Includes 1.030 shares acquired by reporting person on January 20, 2006, 0.960 shares acquired by reporting person on April 20, 2006 and 0.905 shares acquired by reporting person on July 20, 2006 under the Ecolab Dividend Reinvestment Plan.
- Number of UNITS in the Ecolab Stock Fund of the Ecolab Savings Plan (401(k) Plan) as of June 30, 2006. Includes 139.795 UNITS
- (3) acquired since the reporting person's last report. (The 2,255.029 UNITS are the equivalent of approximately 4,212 shares of the issuer's Common Stock.)

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- (4) Option granted under the Ecolab Inc. 1993 Stock Incentive Plan on August 16, 1996. The option was originally reported as covering 2,000 shares at an exercise price of \$15.1875 per share, but has been adjusted to reflect a stock split on June 6, 2003. The option became exercisable as to 25% of the total shares subject to the option (excluding any fractional portion less than one share), on each of the first, second and third anniversaries of the date of grant and as to the remaining shares as of the fourth anniversary on the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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