WILLIAMS COMPANIES INC

Form 4

October 11, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

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OMB APPROVAL

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **HOBBS WILLIAM E**

(Street)

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC [WMB]

Issuer

below)

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 10/09/2007

Director 10% Owner _X__ Officer (give title _ Other (specify

5. Relationship of Reporting Person(s) to

ONE WILLIAMS CENTER

4. If Amendment, Date Original

Filed(Month/Day/Year)

Subsidiary Sr. Vice President 6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

TULSA, OK 74172

| (City) | (State) | (Zip) Tab | le I - Non-l | Derivative | Secur | ities Acqui | red, Disposed of | , or Beneficial | ly 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. Securit onor Dispos (Instr. 3, 4 | ed of | ` ′ | 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 | 10/09/2007 | | M | 30,000 | A | \$ 15.86 | 30,000 | D | |
| Common Stock | 10/09/2007 | | M <u>(1)</u> | 1,906 | A | \$ 28.976 | 31,906 | D | |
| Common Stock | 10/09/2007 | | S | 31,906 | D | \$ 35 | 0 | I | By company plan |
| Common Stock | | | | | | | 4,949 | I | By company plan (2) |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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

| 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. Transactio Code (Instr. 8) | TransactionDerivative Code Securities | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | |
|---|---|---|---|--|---------------------------------------|--------|--|--------------------|---|-------------------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee Options (Right to Buy) | \$ 15.86 | 10/09/2007 | | M | | 30,000 | 02/11/2003 | 02/11/2012 | Common Stock | 30,000 |
| Employee Options (Right to Buy) | \$ 28.976 | 10/09/2007 | | M | | 1,906 | 03/30/1999 | 03/30/2008 | Common Stock | 1,906 |

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

HOBBS WILLIAM E ONE WILLIAMS CENTER TULSA, OK 74172

Subsidiary Sr. Vice President

Signatures

Cher S. Lawrence, Attorney-in-Fact for William E.
Hobbs

**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) Represents shares sold pursuant to a 10b5-1 plan entered into by Reporting Person and Broker on August 29, 2007.
- (2) Represents total shares of the Company's common stock held in The Investment Plus Plan.

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

Reporting Owners 2

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