

SOUTHWEST AIRLINES CO

Form 4

November 02, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
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response... 0.5Check 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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KELLEHER HERBERT D**2. Issuer Name and Ticker or Trading  
Symbol  
**SOUTHWEST AIRLINES CO  
[LUV]**5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

**C/O SOUTHWEST AIRLINES  
CO, P O BOX 36611**

(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
**10/31/2006**☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)**DALLAS, TX 75235**

(City) (State) (Zip)

4. If Amendment, Date Original  
Filed(Month/Day/Year)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	10/31/2006		M	7,595 A	\$ 4.4 3,844,019	D	
Common Stock	10/31/2006		F	2,201 D	\$ 15.18 3,841,818	D	
Common Stock					304,380	I	By Family LLC (2)

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)	8. Amount or Number of Shares
Option (Right to Buy)	\$ 4.4	10/31/2006		M	7,595 (1)	01/01/2005 01/01/2007	Common Stock	7,595

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
KELLEHER HERBERT D C/O SOUTHWEST AIRLINES CO P O BOX 36611 DALLAS, TX 75235	X

## Signatures

On behalf of and attorney-in-fact for Herbert D. Kelleher /S/ Deborah Ackerman

11/02/2006

\_\_\_\_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) Options granted under the 1991 ISO Plan.

Reporting person holds these shares for the benefit of other individuals. The reporting person's spouse is a principal. The reporting person  
(2) disclaims beneficial ownership of these shares, and the filing of this report is not an admission that reporting person is a beneficial owner of these shares for purposes of Section 16 or for any other purposes.

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

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