

SOUTHWEST AIRLINES CO

Form 4

August 14, 2007

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 *
Wright Laura

(Last) (First) (Middle)

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

(Street)

DALLAS, TX 75235-1611

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SOUTHWEST AIRLINES CO
[LUV]

3. Date of Earliest Transaction
(Month/Day/Year)
08/10/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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)
			Code	V	Amount	(A) or (D)	Price		
Common Stock	08/10/2007		M		473	A	\$ 7.27	27,228	D
Common Stock	08/10/2007		M		6,458	A	\$ 7.87	33,686	D
Common Stock	08/10/2007		M		15,000	A	\$ 8.2	48,686	D
Common Stock	08/10/2007		S		500	D	\$ 16.41	48,186	D
Common Stock	08/10/2007		S		500	D	\$ 16.35	47,686	D

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Common Stock	08/10/2007	S	700	D	\$ 16.33	46,986	D	
Common Stock	08/10/2007	S	9,500	D	\$ 16.37	37,486	D	
Common Stock	08/10/2007	S	3,200	D	\$ 16.38	34,286	D	
Common Stock	08/10/2007	S	1,500	D	\$ 16.39	32,786	D	
Common Stock	08/10/2007	S	700	D	\$ 16.36	32,086	D	
Common Stock	08/10/2007	S	3,400	D	\$ 16.34	28,686	D	
Common Stock						9,380 ⁽¹⁾	I	ProfitSharing Plan

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

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(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. 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)	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 7.27	08/10/2007		M	473	01/01/1998 01/01/2008	Common Stock	473
Employee Stock Option (Right to Buy)	\$ 7.87	08/10/2007		M	6,458	⁽²⁾ 01/23/2008	Common Stock	6,458
	\$ 8.2	08/10/2007		M	15,000	⁽³⁾ 09/01/2008		15,000

Employee
Stock
Option
(Right to
Buy)

Common
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Wright Laura C/O SOUTHWEST AIRLINES CO. P. O. BOX 36611 DALLAS, TX 75235-1611			Chief Financial Officer	

Signatures

/s/ Laura Wright 08/14/2007

 **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) The information reported herein is based on a plan statement dated as of June 30, 2007.
- (2) The option vested in installments and was 100% vested at the time of exercise.
- (3) The option vests in installments. Of the remaining 28,605 options, 21,225 have vested, and 7,380 will vest on September 1, 2007.

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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