

SOUTHWEST AIRLINES CO
Form 4
August 14, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

(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
 Officer (give title below) Other (specify below)
Chief Financial Officer

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)
			Code	V	Amount or 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

Edgar Filing: SOUTHWEST AIRLINES CO - Form 4

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.

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. 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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	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 Date
 Reporting Person

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.
 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.