SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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

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 of Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Director
10% Owner
X Officer (give title below)
Other (specify 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	
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

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				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	$0	0	D	
Employee Stock Option (Right to Buy)	$7.87	08/10/2007		M			6,458	(2)	01/23/2008	Common Stock	6,458	$0	0	D	
Employee Stock Option (Right to Buy)	$8.2	08/10/2007		M			15,000	(3)	09/01/2008	Common Stock	15,000	$0	28,605	D	

Explanation of Responses:

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.

Remarks:

/s/ Laura Wright 08/14/2007

** Signature of Reporting Person Date

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

* 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).

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

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 Number.