

SOUTHWEST AIRLINES CO
 Form 4
 July 24, 2007

FORM 4

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

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).

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

(Last) (First) (Middle)

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

(Street)

DALLAS, TX 75235

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
07/20/2007

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)
 Chairman of the Board

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 (A) or (D) Price | | | |
| Common Stock | 07/20/2007 | | S | 10,000 D \$ 16.27 | 3,286,115 | D | |
| Common Stock | 07/20/2007 | | S | 30,000 D \$ 16.3 | 3,256,115 | D | |
| Common Stock | 07/20/2007 | | S | 21,000 D \$ 16.31 | 2,325,115 | D | |
| Common Stock | 07/20/2007 | | S | 50,000 D \$ 16.32 | 3,185,115 | D | |
| Common Stock | 07/20/2007 | | S | 9,000 D \$ 16.33 | 3,176,115 | D | |

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|--------------|------------|---|--------|---|----------|------------------------|---|---------------|
| Common Stock | 07/20/2007 | S | 10,000 | D | \$ 16.34 | 3,166,115 | D | |
| Common Stock | 07/20/2007 | S | 19,000 | D | \$ 16.35 | 3,147,115 | D | |
| Common Stock | 07/20/2007 | S | 1,000 | D | \$ 16.36 | 3,146,115 | D | |
| Common Stock | | | | | | 300,280 ⁽¹⁾ | I | By Family LLC |

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.

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

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 | | Chairman of the Board | |

Signatures

/s/ Deborah Ackerman on behalf of and as attorney-in-fact for Herbert D. Kelleher

07/24/2007

__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) These shares are held by a Fmaily LLC. The reporting person's spouse is a principal. The reporting person disclaims any pecuniary interest in these shares.

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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