

CHAPPEL DONALD R
Form 5
February 14, 2012

FORM 5

**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).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
CHAPPEL DONALD R

2. Issuer Name and Ticker or Trading Symbol
WILLIAMS COMPANIES INC
[WMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2011

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President & CFO

ONE WILLIAMS CENTER

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

TULSA, OK 74172

(City) (State) (Zip)

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) (A) or (D) Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|

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

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SEC 2270 (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 | 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) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|

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| | Derivative Security | | | | or Disposed of | | Date Exercisable | Expiration Date | Title | |
|--|---------------------|------------|---|----|----------------|-----|---------------------------|-----------------|--------------|--|
| | | | | | (D) | (A) | | | | |
| Restricted Stock Units <u>(1)</u> | \$ 10.86 | 12/14/2011 | Â | A4 | 16,705 | Â | 02/23/2012 ⁽²⁾ | 02/23/2012 | Common Stock | |
| Restricted Stock Units <u>(1)</u> | \$ 21.22 | 12/14/2011 | Â | A4 | 8,021 | Â | 02/23/2013 ⁽²⁾ | 02/23/2013 | Common Stock | |
| Restricted Stock Units <u>(1)</u> | \$ 29.73 | 12/14/2011 | Â | A4 | 6,130 | Â | 02/24/2014 ⁽²⁾ | 02/24/2014 | Common Stock | |
| Restricted Stock Units <u>(1)</u> | \$ 10.86 | 12/14/2011 | Â | A4 | 16,705 | Â | 02/23/2012 | 02/23/2012 | Common Stock | |
| Restricted Stock Units <u>(1)</u> | \$ 21.22 | 12/14/2011 | Â | A4 | 8,021 | Â | 02/23/2013 | 02/23/2013 | Common Stock | |
| Restricted Stock Units <u>(1)</u> | \$ 29.73 | 12/14/2011 | Â | A4 | 6,130 | Â | 02/24/2014 | 02/24/2014 | Common Stock | |
| Stock Options (Employee Right to Buy) <u>(4)</u> | \$ 4.16 | 12/14/2011 | Â | A4 | 114 | Â | 01/22/2004 | 04/16/2013 | Common Stock | |
| Stock Options (Employee Right to Buy) <u>(4)</u> | \$ 4.16 | 12/14/2011 | Â | A4 | 152 | Â | 04/16/2006 | 04/16/2013 | Common Stock | |
| Stock Options (Employee Right to Buy) <u>(4)</u> | \$ 8.09 | 12/14/2011 | Â | A4 | 37 | Â | 02/05/2005 | 02/05/2014 | Common Stock | |
| Stock Options (Employee Right to Buy) <u>(4)</u> | \$ 8.09 | 12/14/2011 | Â | A4 | 37 | Â | 02/05/2006 | 02/05/2014 | Common Stock | |

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| | | | | | | | | | |
|--|----------|------------|---|----|--------|---|-------------------|------------|--------------|
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 8.09 | 12/14/2011 | Â | A4 | 39 | Â | 02/05/2007 | 02/05/2014 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 15.71 | 12/14/2011 | Â | A4 | 27 | Â | 02/25/2006 | 02/25/2015 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 15.71 | 12/14/2011 | Â | A4 | 27 | Â | 02/25/2007 | 02/25/2015 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 15.71 | 12/14/2011 | Â | A4 | 29 | Â | 02/25/2008 | 02/25/2015 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 17.65 | 12/14/2011 | Â | A4 | 9,574 | Â | Â ⁽⁵⁾ | 03/03/2016 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 23.04 | 12/14/2011 | Â | A4 | 11,065 | Â | Â ⁽⁶⁾ | 02/26/2017 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 29.72 | 12/14/2011 | Â | A4 | 11,595 | Â | Â ⁽⁷⁾ | 02/25/2018 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 8.85 | 12/14/2011 | Â | A4 | 25,236 | Â | Â ⁽⁸⁾ | 02/23/2019 | Common Stock |
| Stock Options (Employee Right to Buy) ⁽⁴⁾ | \$ 17.28 | 12/14/2011 | Â | A4 | 13,265 | Â | Â ⁽⁹⁾ | 02/23/2020 | Common Stock |
| | \$ 24.21 | 12/14/2011 | Â | A4 | 11,320 | Â | Â ⁽¹⁰⁾ | 02/24/2021 | |

Stock
Options
(Employee
Right to
Buy) ⁽⁴⁾

Common
Stock

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CHAPPEL DONALD R ONE WILLIAMS CENTER TULSA, OK 74172 | Â | Â | Â Sr. Vice President & CFO | Â |

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Donald R.
Chappel

02/14/2012

__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) Pursuant to anti-dilution provisions of this grant, the number of shares underlying the award was adjusted in conjunction with the Issuer's legal and structural separation of WPX Energy, Inc., in an exempt transaction pursuant to Rule 16a-9. The terms of adjustment were approved by the Issuer's Board of Directors.
 - (2) Vesting is subject to applicable grant agreement and compensation committee certification that the Company has met the three year performance measure. The specific performance measure will be based on total shareholder return with absolute and relative dependent measures.
 - (3) 1-for-1
 - (4) Pursuant to anti-dilution provisions of this grant, the exercise price and the number of shares subject to it were adjusted in conjunction with the Issuer's legal and structural separation of WPX Energy, Inc., in an exempt transaction pursuant to Rule 16a-9. The terms of adjustment were approved by the Issuer's Board of Directors.
 - (5) Stock option grant is exercisable in 1/3 increments over 3 years: 3191 on 03/03/2007, 3191 on 03/03/2008, and 3192 on 03/03/2009.
 - (6) Stock Option grant is exercisable in 1/3 increments over a three year period: 3688 on 02/26/2008, 3688 on 02/26/2009, and 3689 on 02/26/2010.
 - (7) Stock Option grant is exercisable in 1/3 increments over a three year period: 3865 on 02/25/2009, 3865 on 02/25/2010, and 3865 on 02/25/2011.
 - (8) Stock Option grant is exercisable in 1/3 increments over a three year period: 8412 on 02/23/2010, 8412 on 02/23/2011, and 8412 on 02/23/2012.
 - (9) Stock Option grant is exercisable in 1/3 increments over a three year period: 4421 on 2/23/2011, 4422 on 2/23/2012, and 4422 on 02/23/2013.
 - (10) Stock Option grant is exercisable in 1/3 increments over a three year period: 3773 on 2/24/2012, 3773 on 2/24/2013, and 3774 on 2/24/2014.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.