

SOUTHWEST AIRLINES CO
 Form 4
 May 18, 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 *
BIEGLER DAVID W

(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)
05/16/2007

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)

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. De
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Security or Exercise (Instr. 3) Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Sec				
		Code	V	(A)	(D)	Date	Expiration	Date	Title	Amount or Number of Shares
Phantom Stock	\$ 0 ⁽¹⁾								Common Stock	1,000
				1,000				⁽²⁾		
Stock Option (Right to Buy)	\$ 14.42			8,000			05/16/2017		Common Stock	8,000
								⁽³⁾		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BIEGLER DAVID W C/O SOUTHWEST AIRLINES CO. P.O. BOX 36611 DALLAS, TX 75235-1611	X			

Signatures

On behalf of and attorney-in-fact for David W. Biegler /s/ Deborah Ackerman 05/18/2007

**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) Each share of phantom stock is the economic equivalent of one share of Southwest's Common Stock, and may be settled only in cash.
- (2) Phantom shares settle on the 30th calendar day following the date on which the Reporting Person ceases to serve as a Director of the Issuer.
- (3) The option vests annually with respect to one-third of the shares covered thereby, beginning on May 16, 2008.

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.