

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1 Issuer's name</b> The Williams Companies, Inc.		<b>2 Issuer's employer identification number (EIN)</b> 73-0569878	
<b>3 Name of contact for additional information</b> Williams Investor Relations	<b>4 Telephone No. of contact</b> (800) 600-3782	<b>5 Email address of contact</b> InvestorRelations@williams.com	
<b>6 Number and street (or P.O. box if mail is not delivered to street) address) of contact</b> P. O. Box 2400		<b>7 City, town, or post office, state, and Zip code of contact</b> Tulsa, OK 74102	
<b>8 Date of action</b> December 31, 2011		<b>9. Classification and description</b> Stock	
<b>10 CUSIP number</b> 969457100; 98212B103	<b>11 Serial number(s)</b>	<b>12 Ticker symbol</b> WMB; WPX	<b>13 Account number(s)</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶** Effective 11:59 p.m. on December 31, 2011, The Williams Companies, Inc. ("Williams") distributed 197,123,778 shares of WPX Energy, Inc. ("WPX") stock to shareholders of Williams. Williams shareholders received .333333 share of WPX stock per share of Williams stock held on December 31, 2011. This distribution qualifies as tax-free under Secs. 355 and 368(a)(1)(D).

**15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶** The law requires that the tax basis in the Williams stock be apportioned between the Williams stock and the WPX Stock received in the distribution, in proportion to their relative fair market values on the date of distribution. The tax law does not state how to determine the relative fair market values of Williams stock and WPX stock on the date of the distribution. The volume weighted average trading prices of Williams stock and WPX stock at the New York Stock Exchange on the first trading day following the distribution are reasonable indicators of the relative fair market values of the two stocks. Based on such weighted average prices, the pre-distribution basis in the Williams stock would be allocated as follows:

The Williams Companies, Inc.	= 81.52%
WPX Energy, Inc.	= 18.48%

**16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶** NYSE volume weighted average prices for January 3, 2012 were:

WMB: 26.84  
WPX: 18.25

Calculation	%
WMB 26.84 x 1	= 26.84 81.5200
WPX 18.25 x .333333	= 6.083333 18.4800
<b>TOTAL</b>	<b>32.923333 100.0000</b>

**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Sec. 355(a)(1); Sec. 368(a)(1)(D); Sec. 358(a)(1), (b), (c); Reg. Sec. 1.358-2(a)(2); Sec. 1223(1)

**18** Can any resulting loss be recognized? ▶ No, except any loss resulting from the sale of fractional shares which were not distributed.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ This distribution was effective at 11:59 p.m., December 31, 2011. It therefore affects the tax basis of Williams stock held on December 31, 2011 and of WPX stock received in the distribution on December 31, 2011.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ *Anthony W. Rackley*  
Print your name ▶ ANTHONY W. RACKLEY

Date ▶ January 9, 2012  
Title ▶ VICE PRESIDENT, TAX

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	