

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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

1. Name and Address of Reporting Person* <u>CHAPPEL DONALD R</u> _____ (Last) (First) (Middle) <u>ONE WILLIAMS CENTER</u> _____ (Street) <u>TULSA OK 74172</u> _____ (City) (State) (Zip)			2. Issuer Name and Ticker or Trading Symbol <u>WILLIAMS COMPANIES INC [ WMB ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Sr. Vice President &amp; CFO</u>		
			3. Date of Earliest Transaction (Month/Day/Year) <u>02/25/2008</u>					
			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 <sup>(1)</sup>	02/25/2008		M		16,647	A	\$36.5	88,290	D	
Common Stock	02/25/2008		F		5,339	D	\$36.5	82,951	D	

**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
Restricted Stock Units <sup>(1)</sup>	\$36.5	02/25/2008		D			16,647	02/25/2008	02/25/2008	Common Stock	16,647	\$36.5	169,995	D	
Restricted Stock Units	\$36.5	02/25/2008		A		19,911		02/25/2011	02/25/2011	Common Stock	19,911	\$36.5	189,906	D	
Restricted Stock Units <sup>(2)</sup>	\$36.5	02/25/2008		A		39,822		02/25/2011	02/25/2011	Common Stock	39,822	\$36.5	229,728	D	
Employee Options (Right to Buy)	\$36.5	02/25/2008		A		16,924		02/25/2009	02/25/2018	Common Stock	16,924	\$36.5	437,295	D	
Employee Options (Right to Buy)	\$36.5	02/25/2008		A		16,924		02/25/2010	02/25/2018	Common Stock	16,924	\$36.5	454,219	D	
Employee Options (Right to Buy)	\$36.5	02/25/2008		A		16,924		02/25/2011	02/25/2018	Common Stock	16,924	\$36.5	471,143	D	

**Explanation of Responses:**

- Payout of Restricted Stock Units (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of 16,647 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 5,339 shares were withheld for taxes.
- Vesting 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 an improvement in the Company's Economic Value Added over the three year period.

**Remarks:**

Cher S. Lawrence, Attorney-in-Fact for Donald R. Chappel 02/27/2008

\*\* 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.