

**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

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>HOBBS WILLIAM E</u>  (Last) (First) (Middle) ONE WILLIAMS CENTER  (Street) TULSA OK 74172  (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>Subsidiary Sr. Vice President</u>
	3. Date of Earliest Transaction (Month/Day/Year) 02/05/2007	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	02/05/2007		M		18,334	A	\$9.93	18,334	D	
Common Stock <sup>(1)</sup>	02/05/2007		S		18,334	D	\$26.91	0	D	
Common Stock <sup>(2)</sup>	02/05/2007		M		11,666	A	\$27.36	11,666	D	
Common Stock <sup>(2)</sup>	02/05/2007		F		3,974	D	\$27.36	7,692	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		800	D	\$27.53	6,892	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		400	D	\$27.52	6,492	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		300	D	\$27.5	6,192	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		400	D	\$27.49	5,792	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		700	D	\$27.48	5,092	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		400	D	\$27.47	4,692	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		700	D	\$27.45	3,992	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		900	D	\$27.44	3,092	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		700	D	\$27.43	2,392	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		1,100	D	\$27.42	1,292	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		400	D	\$27.39	892	D	
Common Stock <sup>(1)</sup>	02/06/2007		S		792	D	\$27.38	100	D	
Common Stock	02/06/2007		S		100	D	\$27.35	0	D	
Common Stock								4,902	I	By Trust <sup>(3)</sup>

**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
Employee Stock Options (Right to Buy)	\$9.93	02/05/2007		M			18,334	02/05/2005	02/05/2014	Common Stock	18,334	(4)	216,385	D	
Restricted Stock <sup>(2)</sup>	\$27.36	02/05/2007		M			11,666	02/05/2007	02/05/2007	Common Stock	11,666	(4)	100,312	D	

**Explanation of Responses:**

1. Represents shares sold pursuant to a 10(b)5-1 Sales Plan entered into between Reporting Person and Broker on March 14, 2006.
2. Payout of a Restricted Stock Award (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of 11,666 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 3,974 shares were withheld for taxes.
3. Represents total shares of the Company's common stock held in The Investment Plus Plan.
4. 1-for-1

**Remarks:**

[Cher S. Lawrence, Attorney-in-Fact for William E. Hobbs](#) [02/07/2007](#)

\*\* 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.

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