

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  
(Last) (First) (Middle)

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

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

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)  
Sr. Vice President & CFO

6. Individual or Joint/Group Reporting  
(check applicable line)  
 Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

ONE WILLIAMS CENTER  
(Street)

TULSA, OK 74172  
(City) (State) (Zip)

**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)
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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 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 <sup>(2)</sup>	02/23/2012	Common Stock	
Restricted Stock Units <u>(1)</u>	\$ 21.22	12/14/2011	Â	A4	8,021	Â	02/23/2013 <sup>(2)</sup>	02/23/2013	Common Stock	
Restricted Stock Units <u>(1)</u>	\$ 29.73	12/14/2011	Â	A4	6,130	Â	02/24/2014 <sup>(2)</sup>	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) <sup>(4)</sup>	\$ 8.09	12/14/2011	Â	A4	39	Â	02/05/2007	02/05/2014	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 15.71	12/14/2011	Â	A4	27	Â	02/25/2006	02/25/2015	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 15.71	12/14/2011	Â	A4	27	Â	02/25/2007	02/25/2015	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 15.71	12/14/2011	Â	A4	29	Â	02/25/2008	02/25/2015	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 17.65	12/14/2011	Â	A4	9,574	Â	Â <sup>(5)</sup>	03/03/2016	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 23.04	12/14/2011	Â	A4	11,065	Â	Â <sup>(6)</sup>	02/26/2017	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 29.72	12/14/2011	Â	A4	11,595	Â	Â <sup>(7)</sup>	02/25/2018	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 8.85	12/14/2011	Â	A4	25,236	Â	Â <sup>(8)</sup>	02/23/2019	Common Stock
Stock Options (Employee Right to Buy) <sup>(4)</sup>	\$ 17.28	12/14/2011	Â	A4	13,265	Â	Â <sup>(9)</sup>	02/23/2020	Common Stock
	\$ 24.21	12/14/2011	Â	A4	11,320	Â	Â <sup>(10)</sup>	02/24/2021	

Stock  
Options  
(Employee  
Right to  
Buy) <sup>(4)</sup>

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.

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