MALCOLM STEVEN J

Form 4

March 20, 2009

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Check this box if no longer

subject to Section 16. Form 4 or

obligations may continue. See Instruction 1(b).

Form 5

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 *

MALCOLM STEVEN J

(Last) (First)

(Middle)

ONE WILLIAMS CENTER

(Street)

(State)

(Month/Day/Year)

TULSA, OK 74172

(City)

1. Title of

Security

(Instr. 3)

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC [WMB]

3. Date of Earliest Transaction (Month/Day/Year)

03/18/2009

4. If Amendment, Date Original

Filed(Month/Day/Year)

3.

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed Execution Date, if

(Zip)

(Month/Day/Year)

TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

4. Securities

(A)

Code V Amount (D) Price

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

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 control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

President & CEO

6. Ownership

Form: Direct

(D) or Indirect Beneficial

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(T)

(Instr. 4)

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

SEC 1474

(9-02)

Indirect

Issuer

below)

Person

5. Amount of

Securities

Owned

Beneficially

Following

Transaction(s) (Instr. 3 and 4)

Reported

_X__ Director

Applicable Line)

X_ Officer (give title

Estimated average

burden hours per

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

1

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) Derivative or Disposed of Security (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date or Number of Shares Employee **Options** Common \$0 $J_{\underline{(1)}}$ 03/18/2009 10,893 03/18/2009 03/18/2009 10,893 (Right to Stock Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MALCOLM STEVEN J ONE WILLIAMS CENTER | X | | President & CEO | |
| TULSA, OK 74172 | | | | |

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Steven J.

Malcolm

03/20/2009

**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) Cancellation of stock options at no value to reporting person.

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.

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