ARMSTRONG ALAN S

Form 4

February 25, 2010

FORM 4

Check this box

if no longer

subject to

Section 16.

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

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OMB APPROVAL

Form 4 or Form 5 obligations may continue.

See Instruction

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(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

ARMSTRONG ALAN S

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC

[WMB]

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

(Last) (First) (Middle)

(Street)

3. Date of Earliest Transaction

(Month/Day/Year) 02/23/2010

Director 10% Owner X_ Officer (give title Other (specify

below) Sr. Vice President - Midstream

ONE WILLIAMS CENTER

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

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

Person

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 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

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

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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)

7. Title and Amou Underlying Securi (Instr. 3 and 4)

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| (Instr. 3) | Price of Derivative Security | | (Month/Day/Year) | (Instr. 8) | Acquired Disposed (Instr. 3, 4 | of (D) | | | | |
|--|------------------------------------|------------|------------------|------------|--------------------------------------|--------|---------------------|--------------------|-----------------|---------------------------|
| | | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amo or Num of Sh |
| Restricted Stock Units | \$ 21.22 | 02/23/2010 | | A | 29,854 | | 02/23/2013 | 02/23/2013 | Common Stock | 29,8 |
| Restricted Stock Units (1) | \$ 21.22 | 02/23/2010 | | A | 29,854 | | 02/23/2013 | 02/23/2013 | Common Stock | 29, |
| Employee Options (Right to Buy) | \$ 0 | 09/16/2009 | | J(2) | | 5,719 | 09/16/2009 | 09/16/2009 | Common Stock | 5,7 |
| Employee Options (Right to Buy) | \$ 21.22 | 02/23/2010 | | A | 16,457 | | 02/23/2011 | 02/23/2020 | Common Stock | 16, |
| Employee Options (Right to Buy) | \$ 21.22 | 02/23/2010 | | A | 16,457 | | 02/23/2012 | 02/23/2020 | Common Stock | 16, |
| Employee Options (Right to Buy) | \$ 21.22 | 02/23/2010 | | A | 16,457 | | 02/23/2013 | 02/23/2020 | Common Stock | 16,4 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|--------------------------------|---------------|-----------|---------|-------|--|--|--|
| 1 | Director | 10% Owner | Officer | Other | | | |
| | | | | | | | |

ARMSTRONG ALAN S ONE WILLIAMS CENTER TULSA, OK 74172

Sr. Vice President - Midstream

Signatures

Cher S. Lawrence, Attorney-in-Fact for Alan S.
Armstrong.

**Signature of Reporting Person Date

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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).
 - Vesting is subject to applicable grant agreement and compensation committee certification that the Company has met the three year
- (1) performance measure. The specific performance measure will be based on total shareholder return with absolute and relative dependent measures.
- (2) 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.