

HILL RALPH A
Form 4
January 11, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

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 *
HILL RALPH A

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
01/07/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

Sr. Vice President E&P

ONE WILLIAMS CENTER

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 (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 <u>(1)</u>	01/07/2005		M	14,000 A \$ 15.33	14,000	D	
Common Stock <u>(1)</u>	01/07/2005		F	4,633 D \$ 15.33	9,367	D	
Common Stock	01/10/2005		M	25,000 A \$ 2.58	34,367	D	
Common Stock <u>(2)</u>	01/10/2005		S	25,000 D \$ 15.35	9,367	D	

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.

SEC 1474
(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 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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Deferred Stock	\$ 15.33	01/07/2005		M	14,000	01/07/2005 01/07/2005	Common Stock	14,000
Stock Options (right to buy)	\$ 2.58	01/10/2005		M	25,000	01/22/2004 11/27/2012	Common Stock	25,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HILL RALPH A ONE WILLIAMS CENTER TULSA, OK 74172			Sr. Vice President E&P	

Signatures

Cher S. Lawrence, Attorney-in-Fact for Ralph A. Hill 01/11/2005

__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) Payout of Special Deferred Stock Award in transaction exempt under Rules 16b-3(d) and 16b-6(b) of 14,000 shares of common stock awarded under The Williams Companies, Inc. 1995 Stock Plan of which 4,633 shares were withheld for taxes.
- (2) Represents shares sold pursuant to a 10b5-1 Sales Plan entered into between Reporting Person and Broker on November 8, 2004.

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.