

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Estimated average burden
 hours per response: 0.5

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

1. Name and Address of Reporting Person* <u>KELLEHER HERBERT D</u> (Last) (First) (Middle) <u>SOUTHWEST AIRLINES CO.</u> <u>2702 LOVE FIELD DRIVE</u> (Street) <u>DALLAS TX 75235-1611</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SOUTHWEST AIRLINES CO [LUV]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>07/28/2008</u> 4. If Amendment, Date of 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) <u>Former Director and Officer</u> 6. Individual or Joint/Group Filing (Check Applicable Line) ☒ Form filed by One Reporting Person Form filed by More than One Reporting Person
--	--	---

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	07/28/2008		s		10,000	D	\$15	2,964,457	D	
Common Stock	07/28/2008		s		600	D	\$15.02	2,963,857	D	
Common Stock	07/28/2008		s		10,000	D	\$15.03	2,953,857	D	
Common Stock	07/28/2008		s		10,000	D	\$15.04	2,943,857	D	
Common Stock	07/28/2008		s		10,000	D	\$15.06	2,933,857	D	
Common Stock	07/28/2008		s		9,100	D	\$15.07	2,924,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.09	2,914,757	D	
Common Stock	07/28/2008		s		20,000	D	\$15.1	2,894,757	D	
Common Stock	07/28/2008		s		20,000	D	\$15.13	2,874,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.15	2,864,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.2	2,854,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.25	2,844,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.27	2,834,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.28	2,824,757	D	
Common Stock	07/28/2008		s		10,000	D	\$15.29	2,814,757	D	
Common Stock	07/28/2008		s		300	D	\$15.3	2,814,457	D	
Common Stock	07/28/2008		s		20,000	D	\$15.31	2,794,457	D	
Common Stock	07/28/2008		s		19,600	D	\$15.32	2,774,857	D	
Common Stock	07/28/2008		s		400	D	\$15.33	2,774,457	D	
Common Stock								300,280	I	By Family LLC ⁽¹⁾

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	Amount or Number of Shares				

Explanation of Responses:

1. These shares are held by a Family LLC. The reporting person's spouse is a principal. The reporting person disclaims any pecuniary interest in these shares.

Remarks:

/s/ Herbert D. Kelleher

07/30/2008

** Signature of Reporting Person

Date

* 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.

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 Number.