

SOUTHWEST AIRLINES CO
 Form 4
 December 17, 2004

FORM 4 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).

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 *
 PARKER JAMES F

2. Issuer Name and Ticker or Trading Symbol
 SOUTHWEST AIRLINES CO
 [LUV]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O SOUTHWEST AIRLINES
 CO, P O BOX 36611
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/17/2004

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

DALLAS, TX 75235

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

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| | | | | Code V | Amount | | |
| Common Stock | 12/17/2004 | | M | A | \$ 255 3.33 | 244,881 | D |
| Common Stock | 12/17/2004 | | S | D | \$ 255 15.8 | 244,626 | D |
| Common Stock | | | | | | 3,321 | I Custodian for Daughter ⁽¹⁾ |
| Common Stock | | | | | | 38,320 | I Profit Sharing Plan ⁽²⁾ |

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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 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) | 8. Price or Value of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Option (Right to Buy) | \$ 3.33 | 12/17/2004 | | M | 255 | 01/01/1995 01/01/2005 | Common Stock | 255 \$ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| PARKER JAMES F C/O SOUTHWEST AIRLINES CO P O BOX 36611 DALLAS, TX 75235 | | | Former Officer and Director | |

Signatures

On behalf of and attorney-in-fact for James F. Parker /s/ Deborah Ackerman
 12/17/2004

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) These shares held by reporting person as custodian for child (daughter).
- (2) The information reported herein is based on a plan statement dated 12/31/03.
- (3) Options granted from the 1991 NQ Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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