

O REILLY AUTOMOTIVE INC
 Form 4
 June 16, 2006

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 *
OREILLY LAWRENCE P

2. Issuer Name and Ticker or Trading Symbol
O REILLY AUTOMOTIVE INC [ORLY]

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

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
05/26/2006

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

C/O OREILLY AUTOMOTIVE INC, 233 SOUTH PATTERSON

(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

SPRINGFIELD, MO 65802

(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
							(1) (2) (3)
Common Stock	05/26/2006	05/26/2006	J(1)(2)(3)		128,861	D	1,040,061

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)

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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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Number of Shares
Variable Prepaid Forward Sales Contract	(1) (2) (3)	05/26/2006	05/26/2006	J(1)(2)(3)	150,000	(1)(2)(3) 05/26/2006	Common Stock	150,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OREILLY LAWRENCE P C/O OREILLY AUTOMOTIVE INC 233 SOUTH PATTERSON SPRINGFIELD, MO 65802		X		

Signatures

Lawrence P O'Reilly
06/16/2006
**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).
- On March 20, 2002, the reporting person entered into a variable prepaid forward arrangement ("VPF") with an unaffiliated third party buyer (the "Buyer") pursuant to which the reporting person received a cash payment of \$1,953,000. In exchange for the cash payment, the reporting person pledged 150,000 shares of common stock of O'Reilly Automotive, Inc. (the "Company") and agreed to settle the VPF
- (1) with either a payment of cash or the delivery of up to 150,000 shares of the Company's common stock. The reporting person chose to settle the VPF through the delivery of shares. The number of shares delivered by the reporting person to the Buyer at settlement was based upon the price of the Company's common stock on each of the 20 business days (each an "Averaging Date") prior to and including May 26, 2006 (each a "Settlement Price"), as follows: (continued in Footnote 2)
- (continued from Footnote 1) (i) if the Settlement Price were less than or equal to \$15.50 per share, then the reporting person would be required to deliver 7,500 shares, per day (which represents the total number of shares subject to the VPF divided by the number of
- (2) Averaging Dates) to the Buyer; (ii) if the Settlement Price had been greater than \$15.50 but less than \$18.60 per share, then the reporting person would be required to deliver a number of shares equal to the product of 7,500 times \$15.50, divided by the Settlement Price; and (continued in Footnote 3)
 - (3) (continued from Footnote 2) (iii) if the Settlement Price were greater than \$18.60, then the reporting person would be required to deliver a number of shares equal to 7,500 multiplied by a fraction, the numerator of which would be the sum of \$15.50 plus the difference between the Settlement Price and \$18.60, and the denominator of which would be the Settlement Price. The Settlement Price on each Averaging Date ranged from a high of \$34.26 and a low of \$31.58, resulting in the reporting person delivering a total of 128,861 shares of the

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Company's common stock to the Buyer.

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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