

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

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>SHEAR DAVID MICHAEL</u> (Last) (First) (Middle) <u>16 SOUTH PENNSYLVANIA AVENUE</u> (Street) <u>OKLAHOMA CITY OK 73107</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>LSB INDUSTRIES INC [LXU]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP/General Counsel/Sec</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/25/2004</u>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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								8,456	I	By Trust ⁽¹⁾
Common Stock	06/25/2004		S		1,500	D	\$7.2	14,740	I	By Spouse ⁽²⁾
Common Stock	06/25/2004		S		1,000	D	\$7.14	13,740	I	By Spouse ⁽²⁾
Common Stock	06/25/2004		S		1,500	D	\$7.02	12,240	I	By Spouse ⁽²⁾

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)
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Incentive Stock Option	\$4.875						(3)	06/27/2006	Common Stock	2,000 ⁽³⁾		2,000 ⁽³⁾	D	
Incentive Stock Option	\$4.125						(3)	11/19/2006	Common Stock	60,000 ⁽³⁾		60,000 ⁽³⁾	D	
Incentive Stock Option	\$1.25						(3)	07/08/2009	Common Stock	20,544 ⁽³⁾		20,544 ⁽³⁾	D	
Incentive Stock Option	\$2.73						(3)	11/29/2011	Common Stock	15,000 ⁽³⁾		15,000 ⁽³⁾	D	
Nonqualified Stock Option	\$1.25						(4)	07/08/2009	Common Stock	35,000 ⁽⁴⁾		35,000 ⁽⁴⁾	D	

Explanation of Responses:

- These shares are held by Mr. Shear's revocable trust, of which he is trustee and beneficiary.
- These shares are owned by Mr. Shear's wife, the beneficial ownership of which is disclaimed by Mr. Shear. This amount does not include, and Mr. Shear disclaims beneficial ownership of shares held by two trusts established for the benefit of each of the son and daughter of Mr. Shear and Heidi Brown Shear for which Mrs. Shear is trustee and exercises investment control over the trusts' portfolio securities, and shares held by three trusts, each one established for the benefit of one of the three children of Jack E. Golsen and Sylvia H. Golsen for which Mrs. Shear is trustee and exercises investment control over the trusts' portfolio securities, and disclaims beneficial ownership in the trusts.
- Incentive Stock Options ("ISO") granted to Mr. Shear under the Incentive Stock Option Plans (the "Plans") of LSB Industries, Inc. (the "Company"). Each ISO allows the purchase of shares of the Company's common stock upon the exercise thereof. Each ISO is exercisable for a period of ten years from the date of grant and vests at the end of years one through four in the following amounts: 20%, 20%, 30% and 30%. Each ISO is fully vested at the end of year four. Mr. Shear acquired 14,456 shares under the ISO granted on July 8, 1999, leaving 20,544 shares remaining to be acquired under such ISO. Mr. Shear has acquired no shares under the ISOs granted on June 27, 1996, November 19, 1996, and November 9, 2001. As of the date of this report, the total number of shares underlying the ISOs held by Mr. Shear is 132,544.
- Nonqualified Stock Option ("NQSO") granted under the Company's Non-Qualified Stock Option Agreement - 1999, for the purchase of up to 35,000 shares of the Company's Common Stock at an option price of \$1.25 per share. The NQSO covering 35,000 shares provides that the NQSO vests and becomes exercisable at the end of years one through four in the following amounts: 20%, 20%, 30%, and 30%. The NQSO is fully vested at the end of year four. To the extent not exercised, the NQSO terminates upon the tenth anniversary of the date the NQSO was granted.

David M. Shear

06/29/2004

** 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.

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