

NETWORK APPLIANCE INC
 Form 4
 November 22, 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 *
MENDOZA THOMAS F

2. Issuer Name and Ticker or Trading Symbol
**NETWORK APPLIANCE INC
 [NTAP]**

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

(Last) (First) (Middle)
495 EAST JAVA DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
11/21/2006

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

SUNNYVALE, CA 94089
 (City) (State) (Zip)

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

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 | 11/21/2006 | | M | | 35,416 | A | \$ 29.24 722,688 | D | |
| Common Stock | 11/21/2006 | | M | | 15,625 | A | \$ 32.5 738,313 | D | |
| Common Stock | 11/21/2006 | | S | | 277,244 | D | \$ 40.6708 461,069 | D | |
| Common Stock | | | | | | | 207,931 | I | by Spouse |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option (right to buy) | \$ 29.24 | 11/21/2006 | | M | 35,416 | (2) 05/31/2015 | Common Stock | 35,416 |
| Non-Qualified Stock Option (right to buy) | \$ 32.5 | 11/21/2006 | | M | 15,625 | (2) 05/31/2013 | Common Stock | 15,625 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------|-------|
| | Director | 10% Owner | Officer | Other |
| MENDOZA THOMAS F 495 EAST JAVA DRIVE SUNNYVALE, CA 94089 | | | President | |

Signatures

By: Janice Mahoney by Power of Attorney For: Thomas F. Mendoza 11/22/2006

__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).

(1) The sale prices for the reported transaction were in a range of \$40.56 to \$40.75 per share.

(2) Option vests in a series of equal monthly installments over 48 months of service beginning with the one-month anniversary of the grant date.

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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