

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP  
 ( ) Check box if no longer subject to Section 16.  
 Form 4 or Form 5 obligations may continue. See Instructions 1(b).

( ) Form 3 Holdings Reported  
 ( ) Form 4 Transactions Reported

1. Name and Address of Reporting Person  
 Ashland Inc.  
 1000 Ashland Drive  
 Russell, KY 41169  
 USA
2. Issuer Name and Ticker or Trading Symbol  
 Ashland Coal, Inc.  
 ACI
3. IRS or Social Security Number of Reporting Person (Voluntary)  
 61-0122250
4. Statement for Month/Year  
 1996
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)  
 ( ) Director (X) 10% Owner ( ) Officer (give title below) ( ) Other  
 (specify below)
7. Individual or Joint/Group Reporting (Check Applicable Line)  
 (X) 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	2. Transaction Date	3. Code	4. Securities Acquired (A) or Disposed of (D) Amount	A/D	Price	5. Amount of Securities Beneficially Owned at End of Year	6. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock, \$.01 par value		J(1)	96,624	A		7,481,289 (2)	D	
Class B Preferred Stock						150	D	

Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date	4. Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	6. Date Exercisable and Expiration Date Date (Month/Day/Year)	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Year	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership
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Explanation of Responses:

1. Shares acquired by the bank administrator of the Ashland Coal, Inc. Dividend Reinvestment Plan, exempt under old Rule 16b-2, acquired on March 15 and June 17 for \$23.84 and \$24.012 per share, respectively. Price and date of quarterly dividend reinvestment transactions after August 15, 1996 are not reflected in reliance on new Rule 16a-11.

2. Total shares held by the bank administrator of the Ashland Coal, Inc. Dividend Reinvestment Plan.

SIGNATURE OF REPORTING PERSON

Thomas L. Feazell, Senior VP, General Counsel and Secretary

DATE

February 7, 1997