

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

1. Name and Address of Reporting Person

Ashland Inc.

1000 Ashland Drive

Russell, KY 41169

2. Date of Event Requiring Statement (Month/Day/Year)

July 1, 1997

3. IRS or Social Security Number of Reporting Person (Voluntary)

61-0122250

4. Issuer Name and Ticker or Trading Symbol

Arch Coal, Inc.

ACI

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

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

(specify below)

6. If Amendment, Date of Original (Month/Day/Year)

June 30, 1997

7. Individual or Joint/Group Filing (Check Applicable Line)

(X) Form filed by One Reporting Person

() Form filed by More than One Reporting Person

Table I -- Non-Derivative Securities Beneficially Owned

1. Title of Security	2. Amount of Securities Beneficially Owned	3. Ownership Form: Direct(D) or Indirect(I)	4. Nature of Indirect Beneficial Ownership
Common Stock	20,734,080	D	
Common Stock	648,307 (1)	D	

Table II -- Derivative Securities Beneficially Owned

1. Title of Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Underlying Securities	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct(D) or Indirect(I)	6. Nature of Indirect Beneficial Ownership

Explanation of Responses:

1. Total shares held by the bank administrator of the Arch Coal, Inc. Dividend Reinvestment Plan.

SIGNATURE OF REPORTING PERSON

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

DATE

July 9, 1997