

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

(X) Check this box if no longer subject to Section 16.
 Form 4 or Form 5 obligations may continue. See Instructions 1(b).

1. Name and Address of Reporting Person
 Ashland Inc.

 1000 Ashland Drive
 Russell, KY 41169
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
 June 30, 1997
5. If Amendment, Date of Original (Month/Year)
6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
 Director 10% Owner Officer (give title below) Other (specify below)
7. 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	2. Transaction Date	3. Transaction Code	4. Securities Acquired (A) or Disposed of (D) Amount	5. Amount of Securities Beneficially Owned at End of Month	6. Director (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock	7-1-97	J (1)	6,923,000	0	D	
Common Stock	7-1-97	J (2)	648,307	0	D	
Common Stock	7-1-97	J (3)	150	0	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. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned at End of Month	10. Director (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership

Explanation of Responses:
 1. Exchanged for an equal number of shares of common stock of Arch Coal, Inc., having a value of \$28.50 per share, pursuant to the merger of Ashland Coal, Inc. and a wholly-owned subsidiary of Arch Coal, Inc. ("the Merger").
 2. Shares held in the Ashland Coal, Inc. Dividend Reinvestment Plan exchanged for an equal number of shares of common stock, having a value of \$28.50 per share, to be held in the Arch Coal, Inc. Dividend Reinvestment Plan, pursuant to the Merger.
 3. Shares of Class B Preferred Stock exchanged for 3,075,000 shares of Arch Coal, Inc. common stock, having a value of \$28.50 per share, pursuant to the Merger.

SIGNATURE OF REPORTING PERSON
 Thomas L. Feazell, Senior VP, General Counsel and Secretary
 DATE
 July 9, 1997