

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 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
 Arch 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 (X) 10% Owner () Officer (give title below) () Other
 (specify below)
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 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. Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership
Common Stock	7-1-97	J (1)	20,734,080	20,734,080	D	
Common Stock	7-1-97	J (2)	648,307	648,307	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 Date	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 Month	10. Direct (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership

Explanation of Responses:

1. Shares of common stock of Arch Coal, Inc. acquired pursuant to the merger of Ashland Coal, Inc. and a wholly-owned subsidiary of Arch Coal, Inc. ("the Merger"). Ashland converted 150 shares of Class B preferred stock of Ashland Coal, Inc. to 3,075,000 shares of Arch Coal common stock and 6,923,000 shares of common stock of Ashland Coal, Inc. to 6,923,000 shares of Arch Coal common stock, having a value of \$28.50 per share. Ashland also owns 10,736,080 shares of Arch Coal common stock resulting from the 338.0857-for-one split of the common stock of Arch Mineral Corporation effected on April 4, 1997.

2. Shares of common stock of Arch Coal, Inc. acquired in an exchange for an equal number shares of common stock of Ashland Coal, Inc., which were previously held in the Ashland Coal, Inc. Dividend Reinvestment Plan, pursuant to the merger, to be held in the Arch Coal, Inc. Dividend Reinvestment Plan.

SIGNATURE OF REPORTING PERSON
 Thomas L. Fezell, Senior VP, General Counsel and Secretary