

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 7)

Arch Coal, Inc.
(Name of Issuer)

Common Stock
(Title of class of Securities)

039380100
(CUSIP Number)

David L. Hausrath
Vice President and
General Counsel
Ashland Inc.
50 E. RiverCenter Boulevard
P.O. Box 391
Covington, KY 41012-0391
(606) 815-3333

(Name, address and telephone number of person
authorized to receive notices and communications)

March 31, 2000
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box .

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CUSIP No. 039380100 13D

- 1 NAME OF REPORTING PERSONS Ashland Inc.
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
61-0122250
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
N/A (b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS 00 (See Item 3)
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEM 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Kentucky
- | | | |
|-------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH | 7 | SOLE VOTING POWER
4,753,271 |
| | 8 | SHARED VOTING POWER
0 |
| | 9 | SOLE DISPOSITIVE POWER
4,753,271 (excludes 1,495,186 shares held by
Key Trust Company of Ohio, N.A. ("Key
Trust") as Trustee under the Ashland
Inc. Leveraged Employee Stock Ownership
Plan (the "LESOP shares"). Ashland has sole
power to direct the disposition of the LESOP
shares. Ashland disclaims beneficial
ownership of the LESOP shares.) |
| | 10 | SHARED DISPOSITIVE POWER
0 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
4,753,271 shares of common stock (excludes the "LESOP" shares)
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
12.4% of the shares of common stock
- 14 TYPE OF REPORTING PERSON

Securities and Exchange Commission
Washington, D.C. 20549
Schedule 13D

Item 1. Security and Issuer

Ashland Inc. ("Ashland") currently owns 4,753,271 shares of common stock ("common stock"), par value \$.01 per share, of Arch Coal, Inc. ("Arch Coal").

Arch Coal is a Delaware corporation with its principal executive offices located at City Place One, Suite 300, Creve Coeur, Missouri 63141.

Item 2. Identity and Background

(a), (b) and (c) Ashland is a Kentucky corporation with its principal executive offices located at 50 E. RiverCenter Blvd., P. O. Box 391, Covington, Kentucky 41012-0391. Ashland is a diversified company with wholly owned operations in distribution, specialty chemicals, motor oil and car care products, and highway construction. Ashland also has a 38-percent equity interest in Marathon Ashland Petroleum LLC and a 12-percent equity interest in Arch Coal.

The executive officers and directors of Ashland and their principal occupations are shown on the attached Schedule I. The business address of each executive officer is shown on Schedule I. Each director's business address is Ashland Inc., c/o Office of the Secretary, 50 E. RiverCenter Boulevard, P. O. Box 391, Covington, KY 41012-0391.

(d-e) During the last five years, neither Ashland nor any of the persons listed in Schedule I hereto, has been (i) convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

(f) Each executive officer and director is a U.S. citizen.

Item 3. Source and Amount of Funds or Other Consideration
Not applicable.

Item 4. Purpose of Transaction

On June 22, 1999, Ashland, as a shareholder of Arch Coal, announced that it had retained the investment banking firm of Goldman Sachs to help Ashland explore strategic alternatives for its investment in Arch Coal.

On October 5, 1999, Ashland announced that it was making progress on its study to explore strategic alternatives for its investment in Arch Coal and that, at that point, a tax-free spin-off to its shareholders seemed to be its preferred alternative. Ashland also announced that it had submitted a proposal to Arch Coal and had begun discussions with a special committee of the Arch Coal Board of Directors regarding such a spin-off transaction. Such a spin-off would have been subject, among other things, to a negotiated agreement with the special committee of the Arch Coal Board of Directors, approval by the Arch Coal shareholders, a favorable ruling from the Internal Revenue Service, and approval by Ashland's Board of Directors.

On January 24, 2000, Ashland announced that it was continuing to pursue spin-off alternatives for its investment in Arch Coal, including both tax-free and taxable distributions.

On February 24, 2000, Ashland announced that, absent intervening circumstances or material events, Ashland's management intended to recommend to its Board of Directors at the next Ashland Board meeting, to be held on March 16, 2000, a distribution to Ashland's shareholders of 17,397,233 shares of its Arch Coal Common Stock in the form of a taxable dividend. Ashland also announced that, in anticipation of the taxable distribution, two of Ashland's four employees currently on the Arch Coal Board of Directors, Paul W. Chellgren and J. Marvin Quin, will not stand for re-election to the Arch Coal Board at Arch Coal's upcoming Annual Meeting on April 20, 2000.

On March 16, 2000, Ashland announced that its Board of Directors had approved a taxable distribution of 17,397,233 shares of Arch Coal Common Stock to Ashland's shareholders, and had set a record date of March 24, 2000 for the distribution. Ashland will retain shares of Arch Coal Common Stock to satisfy any federal tax withholding on the distribution. Any fractional shares of Arch Coal Common Stock will also be retained by Ashland with Ashland subsequently distributing the equivalent cash value.

On March 27, 2000, Ashland announced that 17,397,233 shares of Arch Coal Common Stock had been distributed to Ashland's shareholders and are being recorded in book-entry form by Arch Coal's transfer agent. Each share of Ashland Common Stock received 0.246097 shares of Arch Coal Common Stock. Ashland will retain the shares of Arch Coal Common Stock required to satisfy any federal tax withholding on the distribution and any fractional shares of Arch Coal Common Stock resulting from the distribution. Brokers and dealers will have until April 5, 2000 to advise Ashland as to their full and fractional share requirements. Ashland will subsequently distribute to the

Ashland shareholders \$7.1875 per share for any fractional shares of Arch Common Stock, which was determined to be the value of Arch Coal Common Stock on the record date. Also on March 27, 2000, Ashland mailed to its shareholders an information statement in respect of the distribution. Ashland anticipates that direct registration statements listing the number of shares of Arch Coal Common Stock received by each Ashland shareholder will be mailed commencing on or about March 31, 2000 by Arch Coal's transfer agent. The distribution is a taxable event to Ashland and constitutes dividend income to Ashland shareholders.

Ashland intends, subject to then-existing market conditions but within one year, to dispose of its remaining shares of Arch Coal Common Stock in a transaction or transactions that qualify as a sale for federal income tax purposes. See Item 5.1.(b) for discussion of Arch Coal Common Stock held by the Ashland Inc. Leveraged Employee Stock Ownership Plan (the "LESOP").

Item 5. Interest in Securities of the Issuer

I. Ashland

(a) Ashland presently owns 4,753,271 shares of Arch Coal Common Stock which represents approximately 12.4% of the total issued and outstanding stock of Arch Coal.

(b) Ashland has sole voting power and the sole power to dispose or to direct the disposition of its 4,753,271 shares of Arch Coal Common Stock. In addition, Ashland has sole power to dispose of 1,495,186 shares of Arch Coal Common Stock held by Key Trust Company of Ohio, N.A. as Trustee for the LESOP (the "LESOP shares"). Ashland disclaims beneficial ownership of the LESOP shares. Because of ERISA diversification requirements, it is expected that the LESOP will dispose of the LESOP shares, subject to then-existing market conditions.

(c) Except as otherwise disclosed on Schedule II or in Item 4 hereof, neither Ashland nor the persons listed in Item 2 has effected any transaction relating to Arch Coal Common Stock within the last 60 days.

(d) Not applicable.

(e) Not applicable.

II. Executive Officers and Directors of Ashland

The beneficial ownership of the Common Stock of Arch Coal of Ashland's executive officers and directors is listed on Schedule II.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Pursuant to a Stockholders Agreement between Arch Coal, Ashland and Carboex S.A. ("Carboex"), Arch Coal has agreed to nominate for election as a director of Arch Coal a person designated by Carboex, and Ashland has agreed, among other things, to vote its shares of Arch Coal Common Stock in a manner sufficient to cause the election of such nominee.

Item 7. Material to be Filed as Exhibits

Stockholders Agreement between Arch Coal, Ashland and Carboex S.A. dated April 4, 1997 (filed as Exhibit 7 to Ashland's Schedule 13D (Amendment No. 2) dated June 22, 1999, and incorporated herein by reference).

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

March 31, 2000

(Date)

/s/ David L. Hausrath

David L. Hausrath
Vice President and General
Counsel

Schedule I
DIRECTORS AND EXECUTIVE OFFICERS
OF
ASHLAND INC.
PRINCIPAL OCCUPATIONS AND BUSINESS ADDRESSES

DIRECTORS	PRINCIPAL OCCUPATION*
Samuel C. Butler	Partner of Cravath, Swaine & Moore, Attorneys, New York, New York
Frank C. Carlucci	Chairman of the Board of The Carlyle Group, Washington, D.C.
Paul W. Chellgren	Chairman of the Board and Chief Executive Officer of Ashland Inc., Covington, Kentucky
Ernest H. Drew	Former CEO of Westinghouse Industries and Technology Group
James B. Farley	Private Investor and Retired Chairman and Chief Executive Officer of Mutual Life Insurance Company of New York, New York (now known as The MONY Group)
Bernadine P. Healy	President of the American Red Cross, Washington, D.C.
Mannie L. Jackson	Majority owner and Chairman and Chief Executive Officer of the Harlem Globetrotters, International
Patrick F. Noonan	Chairman of the Board of The Conservation Fund, Arlington, Virginia
Jane C. Pfeiffer	Management Consultant, Vero Beach, Florida
William L. Rouse, Jr.	Investments, Naples, Florida
Theodore M. Solso	Chairman and Chief Executive Officer of Cummins Engine Company, Inc., Columbus, Indiana

* For business addresses, see Item 2.

EXECUTIVE OFFICERS	BUSINESS ADDRESS	PRINCIPAL OCCUPATION
Paul W. Chellgren	P. O. Box 391 Covington, KY 41012	Chairman of the Board and Chief Executive Officer
James R. Boyd	P. O. Box 391 Covington, KY 41012	Senior Vice President and Group Operating Officer
David J. D'Antoni	P. O. Box 2219 Columbus, OH 43216	Senior Vice President and Group Operating Officer
J. Marvin Quin	P. O. Box 391 Covington, KY 41012	Senior Vice President and Chief Financial Officer
James J. O'Brien	P. O. Box 1400 Lexington, KY 40512	Senior Vice President; President, The Valvoline Company
Charles F. Potts	APAC, Inc. 3340 Peachtree Rd., NE Tower Place Atlanta, GA 30326	Senior Vice President; President, APAC, Inc.
Kenneth L. Aulen	P. O. Box 391 Ashland, KY 41114	Administrative Vice President; Controller
Philip W. Block	P. O. Box 391 Covington, KY 41012	Administrative Vice President
J. Dan Lacy	P. O. Box 391 Covington, KY 41012	Vice President
David L. Hausrath	P. O. Box 391 Covington, KY 41012	Vice President and General Counsel
Richard P. Thomas	P. O. Box 391 Covington, KY 41012	Vice President and Secretary
Peter M. Bokach	P. O. Box 2219 Columbus, OH 43216	Vice President; President of Ashland Distribution Company

James A. Duquin

P. O. Box 2219
Columbus, OH 43216

Vice President;
President of Ashland
Specialty Chemical Company

Lamar M. Chambers

P. O. Box 391
Covington, KY 41012

Auditor

SCHEDULE II

Arch Coal Common Stock Transactions and
Ownership by Ashland Directors and Executive Officers

Director of Ashland -----	Stock Transactions effected within past 60 days* -----	Total Ownership -----
Samuel C. Butler	184 by wife 954 by Trust 133 from Ashland DRIP 492 direct	184 by wife 954 by Trust 625 direct
Frank C. Carlucci	626 from Ashland DRIP 49 by wife	626 direct 49 by wife
Paul W. Chellgren (information included in Executive Officer's List)		
Ernest H. Drew	1,722 direct	1,722 direct
James B. Farley	98 joint with wife 492 direct	98 joint with wife 492 direct
Bernadine P. Healy	917 direct	917 direct
Mannie L. Jackson	492 direct	492 direct
Patrick F. Noonan	492 direct	492 direct
Jane C. Pfeiffer	694 direct	694 direct
William L. Rouse	1,114 direct	1,114 direct
Theodore M. Solso	492 direct	492 direct

*Represents acquisitions of Arch Common Stock pursuant to the taxable distribution by Ashland of Arch Common Stock to Ashland shareholders. All calculations are based upon the receipt of .246097 shares of Arch Common Stock for each share of Ashland Common Stock and exclude fractional shares.

Executive Officer of Ashland -----	Stock Transactions effected within past 60 days*	Total Ownership -----
Kenneth L. Aulen	1,158 (1) 1,441 (2) 1,814 direct	1,158 (1) 1,441 (2) 1,814 direct
Philip W. Block	1,480 (1) 533 (2) 500 direct	1,480 (1) 533 (2) 900 direct
Peter M. Bokach	1,401 (1) 62 (2) 153 by son 676 direct	1,401 (1) 62 (2) 153 by son 676 direct
James R. Boyd	1,635 (1) 55 (2) 1,045 joint with wife 7,647 direct	1,635 (1) 55 (2) 1,045 joint with wife 12,647 direct
Lamar M. Chambers	764 (1) 778 (2) 225 direct	764 (1) 778 (2) 225 direct
Paul W. Chellgren	29 shares purchased with the March 15, 2000 dividend through the Arch Coal DRIP 4,503 direct 15,898 from Ashland DRIP 2,514 (1) 6,572 (2)	628 direct - held in the Arch Coal DRIP 28,401 direct 2,514 (1) 6,572 (2)

*Except for Mr. Chellgren's March 15 Arch Coal DRIP purchase, all transactions represent the acquisition of Arch Common Stock pursuant to the taxable distribution by Ashland of Arch Common Stock to Ashland shareholders. All calculations are based upon the receipt of .246097 shares of Arch Common Stock for each share of Ashland Common Stock and exclude fractional shares.

(1) Shares held in Ashland's Leveraged Employee Stock Ownership Plan

(2) Shares held in Ashland's Employee Savings Plan

Executive Officer of Ashland -----	Stock Transactions effected within past 60 days* -----	Total Ownership -----
David J. D'Antoni	1,689 (1) 1,645 (2) 123 custodian for son 1,577 direct	1,689 (1) 1,645 (2) 123 custodian for son 1,577 direct
James A. Duquin	1,168 (1) 456 direct	1,168 (1) 456 direct
David L. Hausrath	764 (1) 914 (2) 73 direct	764 (1) 914 (2) 73 direct
J. Daniel Lacy	1,355 (1) 1,024 (2)	1,355 (1) 1,024 (2)
James J. O'Brien	741 (1) 65 (2) 324 direct	741 (1) 65 (2) 324 direct
Charles F. Potts	1,165 (1) 451 (2) 331 direct	1,165 (1) 451 (2) 331 direct
J. Marvin Quin	1,634 (1) 4,024 (2) 5,571 direct	1,634 (1) 4,024 (2) 7,071 direct
Richard P. Thomas	1,401 (1) 974 (2) 386 direct	1,401 (1) 974 (2) 386 direct

*Except for Mr. Chellgren's March 15 Arch Coal DRIP purchase, all transactions represent the acquisition of Arch Common Stock pursuant to the taxable distribution by Ashland of Arch Common Stock to Ashland shareholders. All calculations are based upon the receipt of .246097 shares of Arch Common Stock for each share of Ashland Common Stock and exclude fractional shares.

- (1) Shares held in Ashland's Leveraged Employee Stock Ownership Plan
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EXHIBIT INDEX

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