UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 3, 2006

Arch Coal, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-13105	43-0921172
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One CityPlace Drive, Suite 300, St. Louis, Missouri	63141
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (314) 994-2725

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 8.01 Other Events.

On January 3, 2006, Arch Coal, Inc. announced that it had sold 100% of the stock of three subsidiaries and their associated mining operations and coal reserves in Central Appalachia to Magnum Coal Company. A copy of the press release announcing the transaction is attached hereto as Exhibit 99.1 and is hereby incorporated by reference.

On January 3, 2006, Arch Coal, Inc. also provided an update on the status of its West Elk mine. A copy of the press release announcing the transaction is attached hereto as Exhibit 99.2 and is hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is attached hereto and filed herewith.

Exhibit No. Description

99.1 Press release dated January 3, 2006 (announcing sale of certain assets to Magnum Coal Company).

99.2 Press release dated January 3, 2006 (providing an update on the status of the West Elk mine).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	Arch Coal, Inc.	
January 3, 2006	*By:*	*/s/ Robert G. Jones*
		Name: Robert G. Jones *Title: Vice President - Law, General Counsel & Secretary*

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Exhibit Index

Exhibit No.	**Description**
99.1	Press Release dated January 3, 2006 (announcing sale of certain assets to Magnum Coal Company)
99.2	Press Release dated January 3, 2006 (providing an update on the status of the West Elk mine).

Exhibit 99.1

News from

Arch Coal, Inc.

FOR FURTHER INFORMATION:
Media – Kim Link (314) 994-2936
FOR IMMEDIATE RELEASE
January 3, 2006

Arch Coal Sells Select Assets in Central Appalachia to Magnum Coal Company

ST. LOUIS (Jan. 3, 2006) – Arch Coal, Inc. (NYSE:ACI) today announced that it has sold 100% of the stock of three subsidiaries and their associated mining operations and coal reserves in Central Appalachia to Magnum Coal Company, effective Dec. 31, 2005. Arch had previously announced plans to contribute these same assets to Magnum in exchange for a minority interest in Magnum.

"We believe that today's announcement is in the best interests of the shareholders, customers and employees of both Arch Coal and Magnum," said Steven F. Leer, Arch Coal's president and chief executive officer. "The direct sale of these subsidiaries enables both companies to achieve their ultimate objectives in an accelerated fashion, while providing greater clarity for the employees at the affected operations. Through this transaction, Arch has unlocked the value of some of its Central Appalachian holdings, sharpened its focus in that region, and strengthened its balance sheet in preparation for future growth."

Included in the sale is all of the stock of Hobet Mining, Apogee Coal Company and Catenary Coal Company, which include the Hobet 21, Arch of West Virginia, Samples and Campbells Creek mining operations. All four operations are located in southern West Virginia. In total, the four operations employ approximately 1,000 people and produced approximately 9.5 million tons of coal during the first nine months of 2005.

"The work forces at these operations have made a significant contribution to the success of Arch Coal over the years," Leer said. "We wish them the very best as they embark on this new endeavor."

Arch is retaining select reserves and assets in Central Appalachia, including the Mingo Logan, Lone Mountain, Cumberland River and Coal-Mac operations. In addition, Arch will retain the Mountaineer II longwall mine currently under development at the Mountain Laurel mining complex in Logan County, West Virginia, as well as the adjacent Spruce surface reserves. Arch has received the state surface mining permit for the Spruce reserves and is currently in the process of securing the necessary federal permits for these reserves, with the objective of developing a surface mine there once all the necessary permits are in hand. Arch is retaining a total of 372 million tons of coal reserves in Central Appalachia.

"This transaction represents Arch's commitment to managing our portfolio of operations in a way that continuously enhances our competitiveness and maximizes value for our shareholders," Leer said. "We are retaining operations that have significant future development potential in Central Appalachia, which remains an important operating region for Arch."

As a result of the sale, Arch expects to record a small net gain during the fourth quarter of 2005, which includes the write-off of an estimated $50 million to $60 million of below-market legacy sales contracts retained in the transaction and a charge of $70 million to $80 million related to previously unrecognized actuarial liabilities associated with post-retiree healthcare.

The transaction is expected to be accretive to Arch's earnings and EBITDA in 2006. In addition, the transaction has resulted in a substantial reduction in Arch's legacy liabilities. Had the transaction occurred at September 30, 2005, the book liabilities associated with these operations would have included approximately $450 million of post-retiree healthcare, workers' compensation and reclamation obligations, or $520 million to $530 million including the $70 million to $80 million charge discussed above. Arch expects similar reductions to these liabilities once it closes its books for 2005 and records the impact of this transaction.

Following the completion of the sale, Arch expects its 2006 sales volume in Central Appalachia to be between 13 million and 14 million tons, excluding brokered tonnage. That total is expected to increase with the ramping up of the Mountain Laurel complex in the second half of 2007. In addition, Arch is pursuing internal growth opportunities in its Western coal basins.

"Even after today's announcement, we expect Arch's 2008 production across all basins to increase by a net total of 10 million to 15 million tons vs. normalized 2005 production, based solely on already identified internal growth projects," Leer said. "At the same time, the restructuring of our Central Appalachian operations further strengthens our financial footing as we prepare for new opportunities that may arise in the marketplace."

A conference call to discuss the transaction will be webcast live today at 2 p.m. EST. The conference call can be accessed via the "investor" section of the Arch Coal Web site (www.archcoal.com).

St. Louis-based Arch Coal is the nation's second largest coal producer, with subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah. Through these operations, Arch Coal provides the fuel for approximately 7% of the electricity generated in the United States.

Exhibit 99.2

News from

Arch Coal, Inc.

FOR FURTHER INFORMATION:
Media – Kim Link (314) 994-2936
FOR IMMEDIATE RELEASE
January 3, 2006

Arch Coal Reports on Progress at West Elk Mine

SOMERSET, Colo. (January 3, 2006) – Arch Coal, Inc. today announced that its efforts to suppress the combustion-related event at the West Elk mine appear to have been successful. The company has restarted the ventilation system and has begun to re-power the mine in preparation for the resumption of operations there.

"While there is still a significant amount of work to be done, we are pleased to report that we have made solid progress toward the safe re-start of the mine," said John W. Eaves, Arch Coal's executive vice president and chief operating officer.

Gas readings inside the mine have been stable for several weeks now following West Elk's effort to suppress the heating event. On Dec. 28, West Elk employees along with Mine Safety and Health Administration (MSHA) personnel conducted a successful excursion into the mine to further assess conditions. Several more successful excursions followed.

"These excursions were very productive and set the stage for ramping up the ventilation system and initiating the re-powering process," Eaves said. "In addition, the excursion crews reported that the production equipment appears to be in generally good shape despite the extended period of inactivity."

Full safety and repair crews have now entered the mine around the clock and are working to systematically re-power all of the circuits and equipment, de-water low spots and build seals.

Barring any change in conditions inside the mine, within the next 10 days West Elk employees are expected to resume the longwall move that was under way when the initial evacuation was necessitated. Following the completion of the move, West Elk will permanently seal the mined-out district where the combustion-related gases were detected.

"We want to again express our gratitude to the MSHA officials who have assisted with this effort," Eaves said. "West Elk and MSHA personnel will continue to work closely and cooperatively to complete the restart of the mine in a safe and efficient manner."

Arch estimates that the idling of the mine and the efforts to suppress the heating event had an adverse pre-tax impact of approximately $25 million to $35 million on fourth quarter results.

Arch has property and business interruption insurance and will be filing a claim under its policy as a result of the events at West Elk.

Mountain Coal Company's West Elk mine typically produces more than six million tons of high-Btu, compliance-quality coal annually. The vast majority of that production is shipped to utilities that use West Elk coal as a fuel for electric generation.

St. Louis-based Arch Coal, Inc. (NYSE:ACI) is the nation's second largest coal producer, with subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah. Through these operations, Arch provides the fuel for approximately 7% of the electricity generated in the United States.