

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997.

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-13105.

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below: Arch Coal, Inc. Employee Thrift Plan.
- B. Name of issuer of the securities to be held pursuant to the plan and the address of its principal executive office: Arch Coal, Inc., CityPlace One, Suite 300, St. Louis, Missouri, 63141.

FINANCIAL STATEMENTS AND EXHIBITS

Financial Statements and Schedules

Report of Independent Auditors
Statements of Net Assets Available for Benefits
Statement of Changes in Net Assets Available for Benefits
Notes to Financial Statements
Schedule of Assets Held for Investment Purposes
Schedule of Reportable Transactions

Exhibits

23 - Consent of Ernst & Young LLP, independent auditors

Financial Statements and Schedules
Arch Coal, Inc. Employee Thrift Plan
Year Ended December 31, 1997
with Report of Independent Auditors

Arch Coal, Inc. Employee Thrift Plan
Financial Statements and Schedules

Year Ended December 31, 1997

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Report of Independent Auditors

To the Administrator
Arch Coal, Inc. Employee Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Arch Coal, Inc. Employee Thrift Plan as of December 31, 1997 and 1996, and the related statement of changes in net assets available for benefits for the year ended December 31, 1997. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 1997 and 1996, and the changes in net assets available for benefits for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1997 and reportable transactions for the year then ended are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of the Plan's management. The fund information in the statements of net assets available for benefits and the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and the changes in net assets available for benefits of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 25, 1998

/s/ Ernst & Young LLP

Arch Coal, Inc. Employee Thrift Plan

Statements of Net Assets Available for Benefits, with Fund Information

December 31, 1997

TOTAL	ARCH COAL, INC. COMMON STOCK FUND	INVESCO INTERMEDIATE GOVERNMENT BOND FUND	INVESCO SELECT INCOME FUND	INVESCO HIGH YIELD BOND FUND	INVESCO TOTAL RETURN FUND
ASSETS					
Investments					
Common stock	\$ 91,195	\$ 91,195	\$ --	\$ --	\$ --
Mutual funds	68,685,454	--	8,091,573	7,346,224	2,904,865
Pooled separate account	2,020,411	--	--	--	--
Investment contracts	6,007,769	--	--	--	--
Collective trust	13,820,591	--	--	--	--
Participant notes receivable	4,786,256	--	--	--	--
Total investments	95,411,676	91,195	8,091,573	7,346,224	2,904,865
Cash	126,492	--	--	--	--
Net assets available for benefits	\$95,538,168	\$ 91,195	\$ 8,091,573	\$ 7,346,224	\$ 2,904,865

TABLE CONTINUED

	INVESCO INDUSTRIAL INCOME FUND	INVESCO DYNAMICS FUND	INVESCO INTERNATIONAL GROWTH FUND	INVESCO EMERGING GROWTH FUND	CAPITAL PRESERVATION FUND	LOAN FUND
ASSETS						
Investments						
Common stock	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Mutual funds	13,716,282	11,694,364	1,727,160	3,458,050	623,445	--
Pooled separate account	--	--	--	--	2,020,411	--
Investment contracts	--	--	--	--	6,007,769	--
Collective trust	--	--	--	--	13,820,591	--
Participant notes receivable	--	--	--	--	--	4,786,256
Total investments	13,716,282	11,694,364	1,727,160	3,458,050	22,472,216	4,786,256
Cash	--	--	--	--	126,492	--
Net assets available for benefits	\$13,716,282	\$11,694,364	\$ 1,727,160	\$ 3,458,050	\$22,598,708	\$ 4,786,256

SEE ACCOMPANYING NOTES.

Arch Coal, Inc. Employee Thrift

Statement of Net Assets Available for Benefits, with Fund Information

December 31, 1996

	TOTAL	INVESCO INTERMEDIATE GOVERNMENT BOND FUND	INVESCO SELECT INCOME FUND	INVESCO HIGH YIELD BOND FUND	INVESCO TOTAL RETURN FUND
ASSETS					
Investments					
Mutual funds	\$57,234,889	\$8,323,729	\$7,030,008	\$2,046,421	\$14,231,068
Investment contracts	7,602,039	--	--	--	--
Collective trust	12,543,920	--	--	--	--
Participant notes- receivable	4,750,950	--	--	--	--
Total investments	82,131,798	8,323,729	7,030,008	2,046,421	14,231,068
Receivables					
Participant	187,676	22,500	17,388	6,495	35,958
Employer	120,596	16,154	11,205	3,935	23,239
Participant note repayments	75,006	--	--	--	--
Total receivables	383,278	38,654	28,593	10,430	59,197
Total assets	82,515,076	8,362,383	7,058,601	2,056,851	14,290,265
LIABILITIES					
Administrative expenses payable	(27,315)	(2,828)	(2,389)	(695)	(4,835)
Net assets available for benefits	\$82,487,761	\$8,359,555	\$7,056,212	\$2,056,156	\$14,285,430

TABLE CONTINUED

	INVESCO INDUSTRIAL INCOME FUND	INVESCO DYNAMICS FUND	INVESCO INTERNATIONAL GROWTH FUND	INVESCO EMERGING GROWTH FUND	CAPITAL PRESERVATION FUND	LOAN FUND
ASSETS						
Investments						
Mutual funds	\$11,578,106	\$8,851,312	\$1,780,162	\$2,521,986	\$ 872,097	\$ --
Investment contracts	--	--	--	--	7,602,039	--
Collective trust	--	--	--	--	12,543,920	--
Participant notes receivable	--	--	--	--	--	4,750,950
Total investments	11,578,106	8,851,312	1,780,162	2,521,986	21,018,056	4,750,950
Receivables						
Participant	21,523	24,550	5,620	6,387	47,255	--
Employer	12,967	14,635	3,258	3,512	31,691	--
Participant note repayments	--	--	--	--	--	75,006
Total receivables	34,490	39,185	8,878	9,899	78,946	75,006
Total assets	11,612,596	8,890,497	1,789,040	2,531,885	21,097,002	4,825,956
LIABILITIES						
Administrative expenses payable	(3,934)	(3,007)	(605)	(857)	(7,141)	(1,024)
Net assets available for benefits	\$11,608,662	\$8,887,490	\$1,788,435	\$2,531,028	\$21,089,861	\$4,824,932

SEE ACCOMPANYING NOTES.

Statement of Changes in Net Assets Available for Benefits, with Fund Information

Year ended December 31, 1997

	TOTAL	ARCH COAL, INC. COMMON STOCK FUND	INVESCO INTERMEDIATE GOVERNMENT BOND FUND	INVESCO SELECT INCOME FUND	INVESCO HIGH YIELD BOND FUND	INVESCO TOTAL RETURN FUND
Additions to net assets attributed to:						
Investment income						
Net appreciation (depreciation) in fair value of investments	\$ 4,700,149	\$(3,487)	\$ 60,722	\$ 135,036	\$ 28,788	\$ 2,964,655
Interest and dividend income	8,145,922	1,937	424,243	662,659	363,695	769,398
	12,846,071	(1,550)	484,965	797,695	392,483	3,734,053
Contributions						
Participant	5,778,358	13,635	563,166	453,437	261,601	1,142,465
Employer	3,626,728	3,975	396,882	296,930	140,949	723,381
	9,405,086	17,610	960,048	750,367	402,550	1,865,846
Total additions	22,251,157	16,060	1,445,013	1,548,062	795,033	5,599,899
Benefits paid to participants	(9,116,115)	(396)	(588,869)	(853,169)	(181,641)	(1,050,385)
Administrative expenses	(84,635)	(15)	(10,710)	(7,876)	(3,987)	(16,793)
Net increase prior to transfers	13,050,407	15,649	845,434	687,017	609,405	4,532,721
Interfund transfers (net)	--	75,546	(1,113,416)	(397,005)	239,304	305,340
Net increase (decrease)	13,050,407	91,195	(267,982)	290,012	848,709	4,838,061
Net assets available for benefits						
Beginning of year	82,487,761	--	8,359,555	7,056,212	2,056,156	14,285,430
End of year	\$95,538,168	\$91,195	\$ 8,091,573	\$ 7,346,224	\$2,904,865	\$ 19,123,491

TABLE CONTINUED

	INVESCO INDUSTRIAL INCOME FUND	INVESCO DYNAMICS FUND	INVESCO INTERNATIONAL GROWTH FUND	INVESCO EMERGING GROWTH FUND	CAPITAL PRESERVATION FUND	LOAN FUND
Additions to net assets attributed to:						
Investment income						
Net appreciation (depreciation) in fair value of investments	\$ 1,449,987	\$ 765,193	\$ (341,295)	\$ (359,450)	\$ --	\$ --
Interest and dividend income	1,693,409	1,413,068	295,578	803,046	1,352,097	366,792
	3,143,396	2,178,261	(45,717)	443,596	1,352,097	366,792
Contributions						
Participant	728,787	781,996	197,408	292,045	1,343,818	--
Employer	416,481	473,465	110,663	154,573	909,429	--
	1,145,268	1,255,461	308,071	446,618	2,253,247	--
Total additions	4,288,664	3,433,722	262,354	890,214	3,605,344	366,792
Benefits paid to participants	(2,459,023)	(622,680)	(235,659)	(288,659)	(2,609,301)	(226,333)
Administrative expenses	(9,047)	(29,935)	(3,420)	(2,852)	--	--
Net increase prior to transfers	1,820,594	2,781,107	23,275	598,703	996,043	140,459
Interfund transfers (net)	287,026	25,767	(84,550)	328,319	512,804	(179,135)
Net increase (decrease)	2,107,620	2,806,874	(61,275)	927,022	1,508,847	(38,676)
Net assets available for benefits						
Beginning of year	11,608,662	8,887,490	1,788,435	2,531,028	21,089,861	4,824,932
End of year	\$13,716,282	\$11,694,364	\$1,727,160	\$3,458,050	\$22,598,708	\$4,786,256

SEE ACCOMPANYING NOTES.

Arch Coal, Inc. Employee Thrift Plan

Notes to Financial Statements

December 31, 1997

1. PLAN AMENDMENT AND DESCRIPTION OF PLAN

Pursuant to an April 4, 1997 Agreement and Plan of Merger among Ashland Coal, Inc., Arch Mineral Corporation, and AMC Merger Corporation (AMC) (a wholly-owned subsidiary of Arch Mineral), Arch Mineral's name was changed to Arch Coal, Inc. and Ashland Coal, Inc. merged with AMC effective July 1, 1997, thereby becoming a wholly-owned subsidiary of Arch Coal, Inc. On the effective date of the merger, the Arch Coal, Inc. Employee Thrift Plan (the Plan) (formerly known as the Arch Mineral Corporation Employee Thrift Plan) was amended to provide for a new Arch Coal common stock investment option. References herein to "the Company" relate to Arch Mineral prior to the merger and to Arch Coal after the merger.

The following description of the Plan provides only general information. Participants should refer to the Summary Plan Description, copies of which are available from Arch Coal, for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan established by the Company and affiliates under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a qualified deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible salaried and nonunion hourly employees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Company is the plan administrator. A Pension Committee, comprised of senior officers of the Company, oversees the activities of the Plan as agent of the employer. INVESCO Retirement Plan Services (INVESCO) is the Plan's trustee. Benefit Services Corporation is the Plan's recordkeeper.

CONTRIBUTIONS

Participants may contribute up to 16% of gross wages, as defined by the Plan. The Company contributes an amount equal to 100% of the first 6% contributed by each participant. Participants and the Company contribute biweekly.

1. PLAN AMENDMENT AND DESCRIPTION OF THE PLAN (CONTINUED)

VESTING

Participants are fully vested in their contributions and all earnings. Vesting in Company matching contributions is based on years of continuous service. During 1997, participants vest according to the following schedule:

YEARS OF SERVICE -----	VESTED PERCENTAGE -----
Less than 2 years	0%
More than 2 but less than 3	25
More than 3 but less than 4	50
More than 4 but less than 5	75
5 years or more	100%

All participants are automatically fully vested in the case of death while employed, total disability or at retirement age, regardless of the number of months of participation.

Forfeitures of terminated participants' nonvested accounts are used to reduce the Company's future contributions. Restoration of such forfeitures to reemployed participants is made in accordance with the Plan's provisions.

BENEFITS

Upon termination of service due to death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account. The form of payment is a lump-sum distribution. Effective July 1, 1996, a participant who is disabled or eligible for retirement may elect to receive payment in installments. The minimum installment allowed is \$500 and installments are paid quarterly, semiannually or annually.

1. PLAN AMENDMENT AND DESCRIPTION OF THE PLAN (CONTINUED)

PARTICIPANT ACCOUNTS

Individual accounts are maintained for each of the Plan's participants to reflect the participant's share of the Plan's income, the Company's contribution and the participant's contribution. Allocations are based on participant account balances, as defined.

LOANS TO PARTICIPANTS

Participants who have been in the Plan for at least 12 months may borrow a portion of their account in accordance with the provisions of the Plan. No loan shall be made if, immediately after the loan, the unpaid balance of all loans to the participant would exceed the lesser of:

- (A) \$50,000
- (B) 50% of the vested portion of the participant's account.

The maximum loan repayment period is the earlier of 5 years or the date of the participant's termination of employment. If the loan is used for the purchase of a primary residence, the repayment period is the earlier of 15 years or when the participant terminates employment.

Loans are secured by assignment of the participant's account and the participant's collateral promissory note for the amount of the loan. Interest rates are based on the prime rate on the first working day of the month in which the loans are taken.

INVESTMENT OPTIONS

Participants direct contributions, including Company matching contributions, into ten investment options in 1% increments. Participants may change their investment elections daily. A description of each investment option is provided below:

Arch Coal, Inc. Common Stock Fund	Funds are invested in Arch Coal's common stock. This investment option became available to participants on July 1, 1997.
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1. PLAN AMENDMENT AND DESCRIPTION OF THE PLAN (CONTINUED)

INVESTMENT OPTIONS (CONTINUED)

<p>Invesco Intermediate Government Bond Fund</p>	<p>The mutual fund invests primarily in obligations of the United States government and government agencies and instruments maturing in three to five years.</p>
<p>Invesco Select Income Fund</p>	<p>At least 50% of the mutual fund's assets are invested in investment grade debt securities. The balance of the fund may be invested in corporate bonds rated below investment grade.</p>
<p>Invesco High Yield Bond Fund</p>	<p>The mutual fund invests primarily in higher yielding corporate bonds (including convertible issues) and preferred stocks with medium to lower credit ratings.</p>
<p>Invesco Total Return Fund</p>	<p>The mutual fund invests, at a minimum, 30% in equities and 30% in fixed and variable income securities. The remaining 40% of the portfolio will vary in asset allocation.</p>
<p>Invesco Industrial Income Fund</p>	<p>The mutual fund may invest between 60% and 75% of its assets in dividend-paying common stocks of domestic industrial issuers. The remaining assets are invested in other income-producing securities, mostly convertible bonds, preferred stocks, and straight debt securities.</p>
<p>Invesco Dynamics Fund</p>	<p>The mutual fund invests in common stocks of companies traded on U.S. securities exchanges and over-the-counter. The fund is designed for aggressive investors by investing in stocks of emerging growth companies.</p>
<p>Invesco International Growth Fund</p>	<p>The mutual fund invests substantially all of its assets in foreign securities, principally equity securities. This fund is considered aggressive, and may hold speculative investments.</p>
<p>Invesco Emerging Growth Fund</p>	<p>The mutual fund normally invests in equity securities of undervalued companies with market capitalizations under \$500 million. The remaining assets maybe invested in U.S. Government securities and foreign securities.</p>

1. PLAN AMENDMENT AND DESCRIPTION OF THE PLAN (CONTINUED)

Capital Preservation Fund This fund invests in long-term investment contracts issued by a variety of insurance carriers, a collective trust, a pooled separate account and a money market fund. The objective of this fund is to provide current income, while providing protection against loss of capital. The investment contracts included in this fund had average yields of 7.39% and 8.24% for the years ended December 31, 1997 and 1996, respectively. The average crediting interest rates were 7.34% and 7.88% for December 31, 1997 and 1996, respectively. The fair values of the guaranteed insurance contracts were \$8,169,467 and \$7,813,537 at December 31, 1997 and 1996, respectively.

ADMINISTRATIVE EXPENSES

The Company pays the salaries and related benefits of employees who administer the Plan. Effective July 1, 1996, participants pay for loan, withdrawal and distribution fees. All other administrative expenses are paid by the Plan.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event of Plan termination, participants will become fully vested in their accounts. The net assets of the Plan will be allocated to provide benefits to participants as prescribed by ERISA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION

Investments of the Plan are stated at fair value. Securities traded in public markets are valued at their quoted market prices. Investments in mutual funds are valued at published market value on the last business day of the plan year based on the number of unit shares held. The investment contracts are stated at contract value (which represents cost plus accumulated interest, less funds to pay for certain benefits and loans to participants) because they are fully benefit responsive. The fair value of the participation units owned by the Plan in the collective trust fund and pooled separate account are based on quoted redemption values on the last business day of the plan year. Participant notes receivable are valued at their outstanding balances, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain 1996 amounts have been reclassified to conform to 1997 presentation.

Arch Coal, Inc. Employee Thrift Plan

Notes to Financial Statements (continued)

3. INVESTMENTS

The Plan's investments are held by a trust fund and are presented in the following table.

	DECEMBER 31	
	1997	1996
	-----	-----
Investments at fair value determined by quoted market price:		
Common stock		
Arch Coal, Inc., 9,668 shares	\$ 91,195	\$ -
Mutual funds		
INVESCO Intermediate Government Bond Fund, 644,747 and 668,036 shares, respectively	8,091,573	8,323,729
INVESCO Select Income Fund, 1,101,383 and 1,073,284 shares, respectively	7,346,224	7,030,008
INVESCO High Yield Fund, 288,228 and 401,779 shares, respectively	2,904,865	2,046,421
INVESCO Total Return Fund, 657,391 and 585,640 shares, respectively	19,123,491	14,231,068
INVESCO Industrial Income Fund, 919,938 and 860,186 shares, respectively	13,716,282	11,578,106
INVESCO Dynamics Fund, 837,705 and 686,681 shares, respectively	11,694,364	8,851,312
INVESCO International Growth Fund, 128,318 and 107,045 shares, respectively	1,727,160	1,780,162
INVESCO Emerging Growth Fund, 308,479 and 201,437 shares, respectively	3,458,050	2,521,986
INVESCO Treasurer's Fund, 623,445 and 872,097 shares, respectively	623,445	872,097
	-----	-----
	68,685,454	57,234,889
Pooled separate account		
John Hancock Mutual Life	2,020,411	-

Arch Coal, Inc. Employee Thrift Plan
Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

	DECEMBER 31	
	1997	1996
Investment contracts		
Commonwealth Life Insurance, #00128TR-1	\$ 992,408	\$ 971,470
Commonwealth Life Insurance, #00128TR-2	947,123	925,732
Commonwealth Life Insurance, #00128TR-3	999,611	976,530
Commonwealth Life Insurance, #00128TR-4	521,357	524,085
Commonwealth Life Insurance, #00128TR-5	502,380	502,803
Commonwealth Life Insurance, #00128TR-6	516,254	512,953
Commonwealth Life Insurance, #00128TR-7	1,027,185	-
United of Omaha Life Insurance, #11491	501,451	-
Hartford Life Insurance, #9601	-	3,188,467
	6,007,769	7,602,039
Collective trust fund		
I.R.T Stable Value Fund	13,820,591	12,543,920
Investments at estimated fair value:		
Participant notes receivable, 8-9%	4,786,256	4,750,950
	\$ 95,411,676	\$ 82,131,798
Total investments at fair value	\$ 95,411,676	\$ 82,131,798

During the year ended December 31, 1997 the Plan's investments (including investments bought, sold, as well as held during the year) appreciated in fair value as follows:

Investments at fair value determined by quoted market price:	
Common stocks	\$ (3,487)
Mutual funds	4,703,636
	\$ 4,700,149
	\$ 4,700,149

4. TAX STATUS OF THE PLAN

The Internal Revenue Service ruled on August 9, 1996 that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

5. TRANSACTIONS WITH PARTIES-IN-INTEREST

The Company engages the services of a third party service provider to assist it in carrying out certain administrative and record keeping functions under the Plan. The Plan has investments in the common stock of the sponsoring company as well as in mutual funds and a collective trust sponsored by the third party service provider of the Plan.

6. SUBSEQUENT EVENT

On January 1, 1998, Arch Coal merged three similar plans sponsored by Arch Coal and affiliated companies into the Arch Coal, Inc. Employee Thrift Plan. Effective with the merger of the Plans, all Plan participants became fully vested in their participant accounts. For plan participants employed on or before December 31, 1997, the Plan provides for immediate vesting of matching Company contributions. Participants hired on or after January 1, 1998 are fully vested in their participant accounts, but will only become fully vested in the matching Company contribution account upon the completion of three full and consecutive years of service.

7. YEAR 2000 ISSUE (UNAUDITED)

The Company has developed a plan to modify its internal information technology to be ready for the year 2000 and has begun converting critical data processing systems. The project also includes determining whether third party service providers have reasonable plans in place to become year 2000 compliant. The Company currently expects the project to be substantially complete by the third quarter of 1999. The Company does not expect this project to have a significant effect on plan operations.

Schedules

Arch Coal, Inc. Employee Thrift Plan

Item 27a - Schedule of Assets Held for Investment Purposes

EIN #43-0921172, Plan Number 006

December 31, 1997

IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	DESCRIPTION OF INVESTMENT, INCLUDING MATURITY DATE, RATE OF INTEREST, PAR OR MATURITY VALUE	COST	CURRENT VALUE

Common stock:			
Arch Coal, Inc. Stock Fund*	9,668 shares	\$ 94,297	\$ 91,195
Mutual funds:			
INVESCO Intermediate Government Bond Fund*	644,747 shares	8,098,148	\$ 8,091,572
INVESCO Select Income Fund*	1,101,383 shares	7,183,420	7,346,224
INVESCO High Yield Bond Fund*	401,779 shares	2,844,858	2,904,865
INVESCO Total Return Fund*	657,391 shares	14,148,131	19,123,491
INVESCO Industrial Income Fund*	919,938 shares	12,076,366	13,716,283
INVESCO Dynamics Fund*	837,705 shares	10,926,678	11,694,364
INVESCO International Growth Fund*	128,318 shares	2,038,255	1,727,160
INVESCO Emerging Growth Fund*	308,479 shares	3,961,489	3,458,050
INVESCO Treasurer's Fund*	623,445 shares	623,445	623,445
		-----	-----
		61,900,790	68,685,454
Pooled separate account:			
John Hancock Mutual Life	2,020,411 units	2,020,411	2,020,411
Investment contracts:			
Commonwealth Life Insurance Company, contract #00128TR-1		992,408	992,408
Commonwealth Life Insurance Company, contract #00128TR-2		947,123	947,123
Commonwealth Life Insurance Company, contract #00128TR-3		999,611	999,611
Commonwealth Life Insurance Company, contract #00128TR-4		521,357	521,357
Commonwealth Life Insurance Company, contract #00128TR-5		502,380	502,380
Commonwealth Life Insurance Company, contract #00128TR-6		516,254	516,254
Commonwealth Life Insurance Company, contract #00128TR-7		1,027,185	1,027,185
United of Omaha Life Insurance, contract#11491		501,451	501,451
		-----	-----
		6,007,769	6,007,769
Collective trust:			
I.R.T Stable Value Fund*	13,820,591 units	13,820,591	13,820,591
Loans to participants			
	8-9%	-	4,786,256

			\$95,411,676
			=====

*Indicates Party-in-interest to the Plan

Arch Coal, Inc. Employee Thrift Plan
Item 27d - Schedule of Reportable Transactions
EIN #43-0921172, Plan Number 006
Year Ended December 31, 1997

Identity of Party	Description of Assets	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
CATEGORY (III)--SERIES OF TRANSACTIONS IN EXCESS OF 5% OF PLAN ASSETS						
INVESCO Trust Company	Dynamics Fund	\$5,784,577	\$ -	\$5,784,577	\$5,784,577	\$ -
	Dynamics Fund	-	3,706,718	3,340,654	3,706,718	366,064
INVESCO Trust Company	Industrial Income Fund	6,006,569	-	6,006,569	6,006,569	-
	Industrial Income Fund	-	5,318,381	4,302,957	5,318,381	1,015,424
INVESCO Trust Company	Total Return Fund	4,819,822	-	4,819,822	4,819,822	-
	Total Return Fund	-	2,892,031	2,151,460	2,892,031	740,571

There were no category (i), (ii), or (iv) reportable transactions during 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the duly authorized Plan Administrator has executed this annual report.

ARCH COAL, INC. EMPLOYEE
THRIFT PLAN

By: /s/ Jeffry N. Quinn

Plan Administrator

Date: June 29, 1998

INDEX TO EXHIBITS

EXHIBIT

ITEM

23 Consent of Independent Auditors

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-32777) pertaining to the Arch Coal, Inc. Employee Thrift Plan of our report dated June 25, 1998, with respect to the financial statements and schedules of the Arch Coal, Inc. Employee Thrift Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1997.

/s/ Ernst & Young LLP

Louisville, Kentucky
June 25, 1998