

SANDS THEODORE D
 Form 5
 February 14, 2006

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
SANDS THEODORE D
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
ARCH COAL INC [ACI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

ONE CITYPLACE DRIVE
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

Director 10% Owner
 Officer (give title below) Other (specify below)

ST. LOUIS, MO 63141
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting
 (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 (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or (D) Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Underlying Securities (Instr. 3 and 4) |
|--|---|--------------------------------------|--|--------------------------------|---|--|---|--|
|--|---|--------------------------------------|--|--------------------------------|---|--|---|--|

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| Security | (A) or Disposed of (D) (Instr. 3, 4, and 5) | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | |
|---------------|---|------------|-----|---------------------|--------------------|-------|--|--------------|-----|------|
| | | | | | | | | | | |
| Phantom Stock | Â | 03/15/2005 | Â | A | 42 | Â (2) | Â (2) | Common Stock | 42 | \$ 4 |
| Phantom Stock | Â | 03/31/2005 | Â | A | 639 | Â (2) | Â (2) | Common Stock | 639 | \$ 4 |
| Phantom Stock | Â | 06/15/2005 | Â | A | 34 | Â (2) | Â (2) | Common Stock | 34 | \$ 5 |
| Phantom Stock | Â | 07/01/2005 | Â | A | 409 | Â (2) | Â (2) | Common Stock | 409 | \$ 5 |
| Phantom Stock | Â | 09/14/2005 | Â | A | 30 | Â (2) | Â (2) | Common Stock | 30 | \$ 6 |
| Phantom Stock | Â | 10/01/2005 | Â | A | 398 | Â (2) | Â (2) | Common Stock | 398 | \$ 6 |
| Phantom Stock | Â | 12/14/2005 | Â | A | 24 | Â (2) | Â (2) | Common Stock | 24 | \$ 8 |
| Phantom Stock | Â | 12/30/2005 | Â | A | 393 | Â (2) | Â (2) | Common Stock | 393 | \$ 7 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SANDS THEODORE D ONE CITYPLACE DRIVE ST. LOUIS, MO 63141 | Â X | Â | Â | Â |

Signatures

/s/ Gregory A. Billhartz,
Attorney-in-Fact

02/14/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each share of phantom stock represents a right to receive the value in cash of one share of Arch Coal, Inc. common stock. The shares of phantom stock are held by the director through the Arch Coal, Inc. Deferred Compensation Plan for Non-Employee Directors (the "Plan") and represent past compensation that the director elected to defer under the Plan into a hypothetical investment in shares of Arch Coal,

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Inc. common stock and/or dividends attributable to such deferred amounts.

- (2) Shares of phantom stock are payable in cash following termination of the director's service as a director of Arch Coal, Inc. The director may transfer certain portions of the phantom stock account into an alternative investment account at any time.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.