PEABODY ENERGY CORP

Form 4 July 19, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

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obligations

may continue.

See Instruction

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(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading ENGELHARDT IRL F Issuer Symbol PEABODY ENERGY CORP [BTU] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner Other (specify Officer (give title 701 MARKET STREET 07/18/2006 below) (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting ST. LOUIS, MO 63101-1826 Person

(City)	(State)	(Zip) Tab	le I - Non-l	Derivative	Secur	ities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or Code V Amount (D) Price			5. Amount of Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect Reported (I) Transaction(s) (Instr. 4) (Instr. 3 and 4)		7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common Stock	07/18/2006		M	37,560	A	\$ 7.2975	579,796	D (1)	
Common Stock	07/18/2006		M	12,440	A	\$ 7	592,236	D (1)	
Common Stock	07/18/2006		S(2)	10,000	D	\$ 51.86	582,236	I (1)	By Trust
Common Stock	07/18/2006		S(2)	1,000	D	\$ 52.08	581,236	I (1)	By Trust
Common Stock	07/18/2006		S(2)	9,000	D	\$ 52	572,236	I (1)	By Trust
	07/18/2006		S(2)	3,700	D	\$ 52.94	568,536	I (1)	By Trust

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Common Stock								
Common Stock	07/18/2006	S(2)	6,300	D	\$ 52.8	562,236	I (1)	By Trust
Common Stock	07/18/2006	S(2)	3,700	D	\$ 52.66	558,536	I (1)	By Trust
Common Stock	07/18/2006	S(2)	15,900	D	\$ 52.5	542,636	I (1)	By Trust
Common Stock	07/18/2006	S(2)	400	D	\$ 52.63	542,236	I (1)	By Trust
Common Stock						32,874 <u>(3)</u>	D	
Common Stock						19,442	I	By 401(k) Plan
Common Stock						4,400	I	By Spouse

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 1474 (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 Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercise Expiration Date (Month/Day/Y	e	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 7.2975	07/18/2006		M		37,560	01/02/2004	01/02/2013	Common Stock	37,560
Employee Stock Option (right to	\$ 7	07/18/2006		M		12,440	05/21/2004	05/21/2011	Common Stock	12,440

buy)

Reporting Owners

Relationships Reporting Owner Name / Address Director 10% Owner Officer Other ENGELHARDT IRL F X 701 MARKET STREET ST. LOUIS, MO 63101-1826

Signatures

Irl F. Engelhardt By: Joseph W. Bean, 07/19/2006 Attorney-in-Fact

Explanation of Responses:

**Signature of Reporting Person

- 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).
- Pursuant to the Rule 10b5-1 trading plan referred to in footnote 2, upon exercise of the options the shares are immediately transferred to a **(1)** family trust.

Date

- (2) This sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (3) Includes 5,962 shares aguired pursuant to the Company's Employee Stock Purchase Plan.
- (4) Not applicable.
- (5) Does not include an additional 1,561,132 options with different expiration dates and exercise prices.

Note: File three copies of this Form, one of which must be manually signed. If space 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.

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