PEABODY ENERGY CORP

Form 4 July 26, 2006

FORM 4

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

OMB 3235-0287

OMB APPROVAL

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Number: January 31, Expires: 2005

0.5

Section 16. Form 4 or Form 5 obligations may continue.

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

burden hours per response...

Estimated average

See Instruction

1(b).

(Print or Type Responses)

1. Name and Ad KARN ROB	•	rting Person *	2. Issuer Name and Ticker or Trading Symbol PEABODY ENERGY CORP [BTU]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction				
C/O PEABODY ENERGY CORPORATION,, 701 MARKET STREET			(Month/Day/Year) 07/25/2006	X Director 10% Owner Officer (give title below) Other (specification)			
(Street) ST. LOUIS, MO 63101-1826			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 Person			
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Acc	uired Disposed of or Repeticially Owned			

(City)	(State)	Table Table	e I - Non-D	Derivative	Secur	rities Acq	uired, Disposed o	f, or Beneficial	y 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)	on(A) or D	4. Securities Acquir (A) or Disposed of ((Instr. 3, 4 and 5) (A) or Amount (D) Pr		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/25/2006		P	760	A	\$ 46.96	760 (1)	I	By Family Trust
Common Stock							14,512 (2)	I	By Trust
Common Stock							870 (2)	D	

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

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form

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displays a currently valid OMB control number.

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exer	cisable and	7. Titl	le and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onNumber	Expiration D	ate	Amou	ınt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Secur	ities	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Owne
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A 4		
									Amount		
						Date	Expiration	m: .1	or		
						Exercisable	Date	Title Nun	Number		
				~	<i>(</i> 1)				of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

KARN ROBERT B III C/O PEABODY ENERGY CORPORATION, 701 MARKET STREET ST. LOUIS, MO 63101-1826

X

Signatures

Robert B. Karn III by Joseph W. Bean Attorney-in-Fact

07/26/2006

**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) Shares acquired by the reporting person as trustee of family trusts.
- (2) The number of shares has been adjusted to reflect the 2-for-1 stock split effected by the Company in February 2006.

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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