

PEABODY ENERGY CORP
Form 4
July 19, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
ENGELHARDT IRL F

(Last) (First) (Middle)
701 MARKET STREET
(Street)

ST. LOUIS, MO 63101-1826

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PEABODY ENERGY CORP [BTU]

3. Date of Earliest Transaction
(Month/Day/Year)
07/18/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(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)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	07/18/2006		M	V Amount (A) or (D) Price 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
Common Stock	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 ⁽³⁾	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.

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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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
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

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

Signatures

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

__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) 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 family trust.
- (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 acquired 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.