

PEABODY ENERGY CORP
 Form 4
 May 17, 2007

FORM 4

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

OMB APPROVAL

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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 *
WALCOTT ROGER B JR

(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)
05/15/2007

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)
EVP - Strategy & Bus. Services

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)
			Code	V	Amount (A) or (D) Price		
Common Stock	05/15/2007		M		13,587 A \$ 10.4875	32,367	I (1) By Trust
Common Stock	05/15/2007		M		7,520 A \$ 19.3275	39,887	I (1) By Trust
Common Stock	05/15/2007		S		2,000 D \$ 50.85	37,887	I (1) By Trust
Common Stock	05/15/2007		S		4,100 D \$ 50.9	33,787	I (1) By Trust
Common Stock	05/15/2007		S		100 D \$ 50.91	33,687	I (1) By Trust

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Common Stock	05/15/2007	S	1,800	D	\$ 50.92	31,887	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	6,107	D	\$ 50.95	25,780	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	200	D	\$ 50.96	25,580	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	2,000	D	\$ 50.98	23,580	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	300	D	\$ 50.99	23,280	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	2,900	D	\$ 51	20,380	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	200	D	\$ 51.01	20,180	I ⁽¹⁾	By Trust
Common Stock	05/15/2007	S	1,400	D	\$ 51.02	18,780	I ⁽¹⁾	By Trust
Common Stock						23,746	D ⁽²⁾	

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

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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	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 10.4875	05/15/2007		M	13,587	01/02/2007	01/02/2014	Common Stock	13,587
Employee Stock	\$ 19.3275	05/15/2007		M	7,520	01/03/2007	01/03/2015	Common Stock	7,520

