

ALLIANCE RESOURCE PARTNERS LP
 Form 4
 January 08, 2007

FORM 4

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).

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 *
CRAFT JOSEPH W III

2. Issuer Name and Ticker or Trading Symbol
ALLIANCE RESOURCE PARTNERS LP [ARLP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1717 S. BOULDER AVENUE, SUITE 400
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/08/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and Chief Executive

TULSA, OK 74119

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Unit | | | | | 302,400 | D | |
| Common Unit | 01/08/2007 | | M | | 56,000 | A | ② |
| Common Unit | 01/08/2007 | | F | | 20,801 | D | \$ 33.99 ③ |
| Common Unit | | | | | 1,000 | I | By son |
| | | | | | 15,544,169 | I | |

Common
UnitBy
Alliance
Holdings
GP, L.P.
(1)

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. 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Restricted Unit | (2) | 01/08/2007 | | M | 56,000 | 01/08/2007 | Common unit | 56,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CRAFT JOSEPH W III 1717 S. BOULDER AVENUE SUITE 400 TULSA, OK 74119 | X | X | President and Chief Executive | |

Signatures

Joseph W. Craft by Mindy Kerber, pursuant to power of attorney dated July 27, 2006

01/08/2007

**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) The reporting person indirectly holds 15,544,169 Common Units of ARLP through Alliance Holdings GP, L.P. ("AHGP"). Craft is a director, and through his ownership of C-Holdings, LLC, the sole owner of Alliance GP, LLC, the general partner of AHGP., and holds,

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directly or indirectly, a majority of the outstanding AHGP Common Units. AHGP owns 42.7% of the Common Units of ARLP. Craft disclaims beneficial ownership of the Common Units of ARLP held by AHGP except to the extent of his pecuniary interest therein.

On December 7, 2006, the Partnership's Compensation Committee determined that the vesting requirement for the 2004 Long-Term

- (2) Incentive Plan grants had been satisfied as of December 31, 2006. As a result restricted units were vested on December 31, 2006 based upon the closing price of the common units at January 3, 2007 of \$33.99.
- (3) Upon vesting, restricted units are withheld by the Partnership for the payment of tax liability at the vesting price of \$33.99.
- (4) Not applicable

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.