

PEABODY ENERGY CORP
 Form 4
 November 21, 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)
 11/19/2007

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 ⁽¹⁾	11/19/2007		M ⁽²⁾	243,568 A \$ 3.3001	262,348	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	200 D \$ 50.26	262,148	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	1,300 D \$ 50.27	260,848	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	200 D \$ 50.28	260,648	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	200 D \$ 50.29	260,448	I ⁽³⁾	By Trust

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Common Stock	11/19/2007	<u>S(2)</u>	3,200	D	\$ 50.3	257,248	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	300	D	\$ 50.31	256,948	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	100	D	\$ 50.32	256,848	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	300	D	\$ 50.33	256,548	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	900	D	\$ 50.34	255,648	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	1,200	D	\$ 50.35	254,448	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	200	D	\$ 50.36	254,248	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	900	D	\$ 50.49	253,348	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	3,600	D	\$ 50.5	249,748	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	2,000	D	\$ 50.52	247,748	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	6,000	D	\$ 50.53	241,748	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	900	D	\$ 50.56	240,848	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	100	D	\$ 50.57	240,748	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	400	D	\$ 50.58	240,348	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	1,400	D	\$ 50.59	238,948	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	1,700	D	\$ 50.6	237,248	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	2,400	D	\$ 50.62	234,848	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	500	D	\$ 50.65	234,348	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	600	D	\$ 50.66	233,748	<u>I (3)</u>	By Trust
Common Stock	11/19/2007	<u>S(2)</u>	5,800	D	\$ 50.67	227,948	<u>I (3)</u>	By Trust
	11/19/2007	<u>S(2)</u>	12,800	D	\$ 50.68	215,148	<u>I (3)</u>	By Trust

Common Stock									
Common Stock	11/19/2007		S ⁽²⁾	1,200	D	\$ 50.69	213,948	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	800	D	\$ 50.7	213,148	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	1,100	D	\$ 50.71	212,048	I ⁽³⁾	By Trust
Common Stock	11/19/2007		S ⁽²⁾	500	D	\$ 50.72	211,548	I ⁽³⁾	By Trust

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (right to buy) ⁽¹⁾	\$ 3.3001	11/19/2007		M	243,568	11/19/2007	05/19/2008	Common Stock	243,568

Reporting Owners

Reporting Owner Name / Address	Relationships
WALCOTT ROGER B JR 701 MARKET STREET ST. LOUIS, MO 63101-1826	Director 10% Owner Officer EVP - Strategy & Bus. Services

Signatures

Roger B. Walcott, Jr. By: Bryan L. Sutter,
Attorney-in-Fact

11/22/2007

__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).

On October 31, 2007, Peabody Energy Corporation distributed, as a pro rata stock dividend, all of the shares of its wholly-owned subsidiary, Patriot Coal Corporation, to holders of record of Peabody Energy common stock as of the close of business on October 22, 2007 (the "spin-off"). Effective upon completion of the spin-off, the Compensation Committee of the board of directors of Peabody

- (1) Energy adjusted outstanding equity awards under existing stock plans, including outstanding stock options, to preserve the pre-spin-off intrinsic value of such awards. Accordingly, the number of shares of common stock underlying each option was increased by multiplying the number prior to the spin-off by 1.082524 and the exercise price was decreased by multiplying the exercise price prior to the spin-off by 0.923767.
- (2) This exercise/sale was effected pursuant to a pre-existing Rule 10b5-1 trading plan adopted by the reporting person.
- (3) Upon exercise of the options, the shares are immediately transferred to a family trust.
- (4) Not applicable.
- (5) The numbers reported in this Column 9 of Table II do not include an additional 110,847 options with different expiration dates and exercise prices.

Remarks:

1 of 3 Form 4s - Additional transactions from November 19, 2007 are reported on separate Form 4s.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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