UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

x **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2013

o **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to .

Commission file number: 1-13105

Arch Coal, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**43-0921172** (I.R.S. Employer Identification Number)
One CityPlace Drive, Suite 300, St. Louis, Missouri (Address of principal executive offices)	**63141** (Zip code)

Registrant's telephone number, including area code: **(314) 994-2700**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

At July 31, 2013 there were 212,240,999 shares of the registrant's common stock outstanding.

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Part I
FINANCIAL INFORMATION

Item 1. Financial Statements.

Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
	(Unaudited)			
Revenues	$ 766,332	$ 965,685	$ 1,503,702	$ 1,925,922
Costs, expenses and other				
Cost of sales (exclusive of items shown separately below)	656,198	799,558	1,305,941	1,605,817
Depreciation, depletion and amortization	111,085	124,536	221,278	255,689
Amortization of acquired sales contracts, net	(2,209)	(4,451)	(5,019)	(18,468)
Change in fair value of coal derivatives and coal trading activities, net	(9,008)	(32,054)	(7,700)	(35,667)
Asset impairment and mine closure costs	20,482	525,583	20,482	525,583
Goodwill impairment	—	115,791	—	115,791
Selling, general and administrative expenses	34,302	35,178	67,511	66,039
Other operating income, net	(8,239)	(1,563)	(11,081)	(19,766)
	802,611	1,562,578	1,591,412	2,495,018
Loss from operations	(36,279)	(596,893)	(87,710)	(569,096)
Interest expense, net:				
Interest expense	(94,756)	(78,728)	(189,830)	(153,500)
Interest and investment income	1,216	1,088	4,052	2,109
	(93,540)	(77,640)	(185,778)	(151,391)
Other nonoperating expense				
Net loss resulting from early retirement and refinancing of debt	—	(19,042)	—	(19,042)
Loss from continuing operations before income taxes	(129,819)	(693,575)	(273,488)	(739,529)
Benefit from income taxes	(49,468)	(251,119)	(108,821)	(282,974)
Loss from continuing operations	(80,351)	(442,456)	(164,667)	(456,555)
Income from discontinued operations, net of tax	8,145	7,032	22,412	22,540
Net loss	(72,206)	(435,424)	(142,255)	(434,015)
Less: Net income attributable to noncontrolling interest	—	(65)	—	(268)
Net loss attributable to Arch Coal, Inc.	$ (72,206)	$ (435,489)	$ (142,255)	$ (434,283)
Loss per common share				
Loss from continuing operations				
Basic loss per common share	$ (0.38)	$ (2.09)	$ (0.78)	$ (2.15)
Diluted loss per common share	$ (0.38)	$ (2.09)	$ (0.78)	$ (2.15)
Net income (loss) attributable to Arch Coal, Inc.				
Basic loss per common share	$ (0.34)	$ (2.05)	$ (0.67)	$ (2.05)
Diluted loss per common share	$ (0.34)	$ (2.05)	$ (0.67)	$ (2.05)
Weighted average shares outstanding				
Basic	212,082	212,048	212,072	211,868
Diluted	212,082	212,048	212,072	211,868
Dividends declared per common share	$ 0.03	$ 0.03	$ 0.06	$ 0.14

The accompanying notes are an integral part of the condensed consolidated financial statements.

Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
	(Unaudited)			
Net loss	$ (72,206)	$ (435,424)	$ (142,255)	$ (434,015)
Derivative instruments				
Comprehensive income (loss) before tax	(391)	738	(1,570)	11,025
Income tax benefit (provision)	143	(265)	568	(3,967)
	(248)	473	(1,002)	7,058
Pension, postretirement and other post-employment benefits				
Comprehensive income (loss) before tax	1,750	(5,600)	3,704	(4,876)
Income tax benefit (provision)	(630)	2,016	(1,333)	1,755
	1,120	(3,584)	2,371	(3,121)
Available-for-sale securities				
Comprehensive income before tax	4,959	97	6,512	491
Income tax provision	(1,788)	(35)	(2,347)	(177)
	3,171	62	4,165	314
Total other comprehensive income (loss)	4,043	(3,049)	5,534	4,251
Total comprehensive loss	$ (68,163)	$ (438,473)	$ (136,721)	$ (429,764)

The accompanying notes are an integral part of the condensed consolidated financial statements.

Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except per share data)

	June 30, 2013	December 31, 2012
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	$ 644,205	$ 784,622
Restricted cash	1,085	3,453
Short term investments	248,464	234,305
Trade accounts receivable	264,692	247,539
Other receivables	71,846	84,541
Inventories	356,653	365,424
Prepaid royalties	8,970	11,416
Deferred income taxes	67,350	67,360
Coal derivative assets	31,261	22,975
Other	60,811	92,469
Total current assets	1,755,337	1,914,104
Property, plant and equipment, net	7,231,221	7,337,098
Other assets:		
Prepaid royalties	91,130	87,773
Goodwill	265,423	265,423
Equity investments	232,758	242,215
Other	154,860	160,164
Total other assets	744,171	755,575
Total assets	$ 9,730,729	$ 10,006,777
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 232,433	$ 224,418
Coal derivative liabilities	542	1,737
Accrued expenses and other current liabilities	307,089	318,018
Current maturities of debt	23,842	32,896
Total current liabilities	563,906	577,069
Long-term debt	5,078,634	5,085,879
Asset retirement obligations	414,860	409,705
Accrued pension benefits	66,903	67,630
Accrued postretirement benefits other than pension	46,358	45,086
Accrued workers' compensation	79,004	81,629
Deferred income taxes	565,047	664,182
Other noncurrent liabilities	205,103	221,030
Total liabilities	7,019,815	7,152,210

Stockholders' equity		
Common stock, $0.01 par value, authorized 260,000 shares, issued 213,753 and 213,759 shares at June 30, 2013 and December 31, 2012	2,141	2,141
Paid-in capital	3,032,626	3,026,823
Treasury stock, at cost	(53,848)	(53,848)
Accumulated deficit	(259,032)	(104,042)
Accumulated other comprehensive loss	(10,973)	(16,507)
Total stockholders' equity	2,710,914	2,854,567
Total liabilities and stockholders' equity	$ 9,730,729	$ 10,006,777

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Arch Coal, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
	(Unaudited)	
Operating activities		
Net loss	$ (142,255)	$ (434,015)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation, depletion and amortization	237,668	272,834
Amortization of acquired sales contracts, net	(5,019)	(18,468)
Amortization relating to financing activities	12,346	8,948
Prepaid royalties expensed	9,251	16,551
Employee stock-based compensation expense	5,804	7,014
Asset impairment and mine closure costs	20,482	501,942
Goodwill impairment	—	115,791
Net loss resulting from early retirement of debt and financing activities	—	19,042
Changes in:		
Receivables	(3,909)	52,291
Inventories	8,771	(80,199)
Coal derivative assets and liabilities	(11,122)	(37,985)
Accounts payable, accrued expenses and other current liabilities	(4,062)	(64,965)
Income taxes, net	(29)	22,869
Deferred income taxes	(102,172)	(272,094)
Other	26,291	(14,248)
Cash provided by operating activities	52,045	95,308
Investing activities		
Capital expenditures	(169,064)	(202,073)
Minimum royalty payments	(10,162)	(8,634)
Proceeds from dispositions of property, plant and equipment	5,080	22,551
Proceeds from sale-leaseback transactions	34,919	—
Purchases of short term investments	(61,870)	—
Proceeds from sales of short term investments	47,097	—
Investments in and advances to affiliates	(8,142)	(9,292)
Change in restricted cash	2,368	4,582
Cash used in investing activities	(159,774)	(192,866)
Financing activities		
Proceeds from issuance of term loan	—	1,386,000
Payments on term note	(8,250)	—
Payments to retire debt	(255)	(452,654)
Net decrease in borrowings under lines of credit	—	(391,300)
Net payments on other debt	(11,448)	(11,164)
Debt financing costs	—	(34,381)
Dividends paid	(12,735)	(29,696)
Proceeds from exercise of options under incentive plans	—	5,131
Cash provided by (used in) financing activities	(32,688)	471,936
Increase (decrease) in cash and cash equivalents	(140,417)	374,378
Cash and cash equivalents, beginning of period	784,622	138,149
Cash and cash equivalents, end of period	$ 644,205	$ 512,527

The accompanying notes are an integral part of the condensed consolidated financial statements.

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Arch Coal, Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Arch Coal, Inc. and its subsidiaries and controlled entities (the "Company"). The Company's primary business is the production of thermal and metallurgical coal from surface and underground mines located throughout the United States, for sale to utility, industrial and steel producers both in the United States and around the world. The Company currently operates mining complexes in West Virginia, Kentucky, Maryland, Virginia, Illinois, Wyoming, Colorado and Utah. In addition, the Company has a metallurgical coal mine in development in West Virginia. All subsidiaries are wholly-owned. Intercompany transactions and accounts have been eliminated in consolidation.

The Company has entered into an agreement to sell a subsidiary which operates three mining complexes in the Western Bituminous reportable segment ("WBIT"). The results of these mining complexes have been segregated from continuing operations and are reflected, net of tax, as discontinued operations in the condensed consolidating statements of operations for all periods presented. See further discussion in Note 3, "Discontinued Operations".

On June 21, 2012, the Company announced the closing of four mining complexes and the temporary idling of a fifth complex, which resulted in closure costs and impairment charges of $525.6 million, which are reflected on the line "Asset impairment and mine closures costs" on the condensed consolidated statements of operations.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting and U.S. Securities and Exchange Commission regulations. In the opinion of management, all adjustments, consisting of normal, recurring accruals considered necessary for a fair presentation, have been included. Results of operations for the three and six month periods ended June 30, 2013 are not necessarily indicative of results to be expected for the year ending December 31, 2013. These financial statements should be read in conjunction with the audited financial statements and related notes as of and for the year ended December 31, 2012 included in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission.

2. Accounting Policies

There is no new accounting guidance that is expected to have a significant impact on the Company's financial statements.

3. Discontinued Operations

As part of a strategy to divest its non-core thermal coal assets, the Company entered into a definitive agreement on June 27, 2013 to sell Canyon Fuel Company, LLC (Canyon Fuel), to Bowie Resources, LLC. Canyon Fuel operates two longwall mining complexes and a continuous miner operation in Utah. The purchase price is $435.0 million in cash, subject to customary adjustments for working capital and other items. The transaction is expected to close during the third quarter of 2013.

The following table summarizes the results of discontinued operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Total Revenues	$ 85,107	$ 97,853	$ 173,239	$ 177,267
Income from discontinued operations before income taxes	$ 9,748	$ 7,909	$ 28,737	$ 34,193
Income tax expense	(1,603)	(877)	(6,325)	(11,653)
Income from discontinued operations, net of income taxes	$ 8,145	$ 7,032	$ 22,412	$ 22,540
Basic earnings per common share from discontinued operations	$ 0.04	$ 0.04	$ 0.11	$ 0.10
Diluted earnings per common share from discontinued operations	$ 0.04	$ 0.04	$ 0.11	$ 0.10

The following table summarizes the assets held for sale and the liabilities held for sale, as classified in the Company's condensed consolidated balance sheets:

	June 30, 2013	December 31, 2012
	(In thousands)	
Assets:		
Current assets	$ 59,604	$ 61,281
Property, plant and equipment, net	269,303	280,400
Other assets	5,198	5,333
Total assets held for sale	$ 334,105	$ 347,014
Liabilities:		
Current liabilities	$ 28,111	$ 24,763
Noncurrent liabilities	36,197	35,221
Total liabilities held for sale	$ 64,308	$ 59,984

4. Accumulated Other Comprehensive Loss

Other comprehensive loss includes transactions recorded in stockholders' equity during the year, excluding net income and transactions with stockholders. In February 2013, the FASB issued ASU 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. The standard requires that companies present, either parenthetically on the face of the financial statements or in a single note, the effect of significant amounts reclassified from each component of accumulated other comprehensive income and the income statement line items affected by the reclassification. The Company adopted the provisions of the new guidance in the first quarter of 2013.

The following items are included in accumulated other comprehensive loss:

	Derivative Instruments	Pension, Postretirement and Other Post-Employment Benefits	Available-for-Sale Securities	Accumulated Other Comprehensive Loss
	(In thousands)			
Balance at December 31, 2012	$ 2,244	$ (18,286)	$ (465)	$ (16,507)
Unrealized gains (losses)	(106)	—	3,967	3,861
Amounts reclassified from accumulated other comprehensive income	(896)	2,371	198	1,673
Balance at June 30, 2013	$ 1,242	$ (15,915)	$ 3,700	$ (10,973)

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The following items were reclassified out of accumulated other comprehensive loss during the six months ended June 30, 2013:

Details about accumulated other comprehensive income components	Amount Reclassified from Accumulated Other Comprehensive Loss (In thousands)	Line Item in the Condensed Consolidated Statement of Operations
Derivative instruments	$ 1,401	Revenues
	(505)	Benefit from income taxes
	$ 896	Net of tax
Pension, postretirement and other post-employment benefits		
Amortization of prior service credits	$ 5,581	(1)
Amortization of actuarial gains (losses), net	(9,285)	(1)
	(3,704)	Total before tax
	1,333	Benefit from income taxes
	$ (2,371)	Net of tax
Available-for-sale securities	$ (309)	Interest and investment income
	111	Benefit from income taxes
	$ (198)	Net of tax

(1) Production-related benefits and workers' compensation costs are included in costs to produce coal. See Note 13, "Workers' Compensation Expense" and Note 14 "Employee Benefit Plans" for more information about pension, postretirement and postemployment benefit costs.

5. Inventories

Inventories consist of the following:

	June 30 2013	December 31 2012
	(In thousands)	
Coal	$ 177,238	$ 180,917
Repair parts and supplies	163,631	172,139
Work-in-process	15,784	12,368
	$ 356,653	$ 365,424

The repair parts and supplies are stated net of an allowance for slow-moving and obsolete inventories of $13.8 million at June 30, 2013 and $13.6 million at December 31, 2012.

6. Investments in Available-for-Sale Securities

The Company has invested in marketable debt securities, primarily highly liquid AA - rated corporate bonds and U.S. government and government agency securities. These investments are held in the custody of a major financial institution. These securities, along with the Company's investments in marketable equity securities, are classified as available-for-sale securities and, accordingly, the unrealized gains and losses are recorded through other comprehensive income.

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The Company's investments in available-for-sale marketable securities are as follows:

	June 30, 2013					
					Balance Sheet Classification	
	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Short-Term Investments	Other Assets
	(In thousands)					
Available-for-sale:						
U.S. government and agency securities	$ 126,193	$ —	$ (459)	$ 125,734	$ 125,734	$ —
Corporate notes and bonds	123,692	—	(962)	122,730	122,730	—
Equity securities	5,271	10,108	(2,907)	12,472	—	12,472
Total Investments	$ 255,156	$ 10,108	$ (4,328)	$ 260,936	$ 248,464	$ 12,472

	December 31, 2012					
					Balance Sheet Classification	
	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Short-Term Investments	Other Assets
	(In thousands)					
Available-for-sale:						
U.S. government and agency securities	$ 146,993	$ 2	$ (412)	$ 146,583	$ 146,583	$ —
Corporate notes and bonds	88,118	—	(396)	87,722	87,722	—
Equity securities	5,271	2,704	(2,628)	5,347	—	5,347
Total Investments	$ 240,382	$ 2,706	$ (3,436)	$ 239,652	$ 234,305	$ 5,347

The aggregate fair value of investments with unrealized losses that have been owned for less than a year was $248.5 million and $223.3 million at June 30, 2013 and December 31, 2012, respectively. The aggregate fair value of investments with unrealized losses that have been owned for over a year was $0.1 million and $0.4 million at June 30, 2013 and December 31, 2012, respectively.

The debt securities outstanding at June 30, 2013 have maturity dates ranging from the third quarter of 2013 through the fourth quarter of 2014. The Company classifies its investments as current based on the nature of the investments and their availability for use in current operations.

7. Equity Method Investments and Membership Interests in Joint Ventures

The Company accounts for its investments and membership interests in joint ventures under the equity method of accounting if the Company has the ability to exercise significant influence, but not control, over the entity. Below are the equity method investments reflected in the condensed consolidated balance sheets:

In thousands	Knight Hawk	DKRW	DTA	Tenaska	Millennium	Tongue River	Total
Balance at December 31, 2012	$ 149,063	$ 15,515	$ 15,462	$ 15,264	$ 32,214	$ 14,697	$ 242,215
Advances to affiliates, net	(3,713)	—	1,944	—	3,441	1,821	3,493
Equity in comprehensive income (loss)	7,812	(1,241)	(2,629)	—	(1,347)	(281)	2,314
Impairment of equity investment	—	—	—	(15,264)	—	—	(15,264)
Balance at June 30, 2013	$ 153,162	$ 14,274	$ 14,777	$ —	$ 34,308	$ 16,237	$ 232,758
Notes receivable from investees:							
Balance at December 31, 2012	$ —	$ 38,680	$ —	$ 5,148	$ —	$ —	$ 43,828
Balance at June 30, 2013	$ —	$ 42,501	$ —	$ —		$ —	$ 42,501

Equity method investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. Certain of our investments are in development stage companies

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whose success depends on factors including receipt of permits and other regulatory environment issues, the ability of the investee companies to raise additional funds in financial markets that can be volatile, and other key business factors.

During the second quarter, Tenaska Trailblazer Partners, LLC ("Tenaska") announced that it was discontinuing its development plans for the Trailblazer Energy Center in Texas. As a result, the Company recorded a $20.5 million impairment charge, which consisted of its 35% equity investment of $15.3 million and a $5.2 million receivable balance related to reimbursements for development work. The impairment is included in the line "Asset impairment and mine closure costs" on the condensed consolidated statement of operations.

The Company may be required to make future contingent payments of up to $58.5 million related to development financing for certain of its equity investees. The Company's obligation to make these payments, as well as the timing of any payments required, is contingent upon the achievement of project development milestones, which can be affected by the factors named above.

8. Derivatives

Diesel fuel price risk management

The Company is exposed to price risk with respect to diesel fuel purchased for use in its operations. The Company anticipates purchasing approximately 57 to 67 million gallons of diesel fuel for use in its operations during 2013. To protect the Company's cash flows from increases in the price of diesel fuel for its operations, the Company uses forward physical diesel purchase contracts and purchased heating oil call options. At June 30, 2013, the Company had protected the price of approximately 94% of its expected purchases for the remainder of 2013 and 73% of its 2014 purchases. At June 30, 2013, the Company had purchased heating oil call options for approximately 74 million gallons for the purpose of managing the price risk associated with future diesel purchases.

The Company has also purchased heating oil call options to manage the price risk associated with fuel surcharges on its barge and rail shipments, which cover increases in diesel fuel prices for the respective carriers. At June 30, 2013, the Company had protected 47% of its expected 2013 diesel fuel usage and 26% of its expected first quarter of 2014 diesel fuel usage on shipments subject to fuel surcharges. The Company held purchased heating oil call options for 4 million gallons for the purpose of managing the fluctuations in cash flows associated with fuel surcharges on future shipments.

These positions reduce the Company's risk of cash flow fluctuations related to these surcharges but the positions are not accounted for as hedges.

Coal risk management positions

The Company may sell or purchase forward contracts, swaps and options in the over-the-counter coal market in order to manage its exposure to coal prices. The Company has exposure to the risk of fluctuating coal prices related to forecasted sales or purchases of coal or to the risk of changes in the fair value of a fixed price physical sales contract. Certain derivative contracts may be designated as hedges of these risks.

At June 30, 2013, the Company held derivatives for risk management purposes that are expected to settle in the following years:

(Tons in thousands)	2013	2014	2015	Total
Coal sales	$ 4,449	$ 4,458	$ 780	$ 9,687
Coal purchases	723	1,260	—	1,983

Coal trading positions

The Company may sell or purchase forward contracts, swaps and options in the over-the-counter coal market for trading purposes. The Company is exposed to the risk of changes in coal prices on the value of its coal trading portfolio. The estimated future realization of the value of the trading portfolio is $0.4 million of gains in the remainder of 2013 and $5.9 million of gains in 2014.

Tabular derivatives disclosures

The Company has master netting agreements with all of its counterparties which allow for the settlement of contracts in an asset position with contracts in a liability position in the event of default or termination. Such netting arrangements reduce

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the Company's credit exposure related to these counterparties. For classification purposes, the Company records the net fair value of all the positions with a given counterparty as a net asset or liability in the condensed consolidated balance sheets. The amounts shown in the table below represent the fair value position of individual contracts, and not the net position presented in the accompanying condensed consolidated balance sheets. The fair value and location of derivatives reflected in the accompanying condensed consolidated balance sheets are as follows:

Fair Value of Derivatives (In thousands)	June 30, 2013 Asset Derivative	June 30, 2013 Liability Derivative		December 31, 2012 Asset Derivative	December 31, 2012 Liability Derivative	
Derivatives Designated as Hedging Instruments						
Coal	$ 2,298	$ (539)		$ 3,277	$ (10)	
Derivatives Not Designated as Hedging Instruments						
Heating oil — diesel purchases	3,475	—		7,379	—	
Heating oil — fuel surcharges	117	—		1,961	—	
Coal — held for trading purposes	63,794	(57,506)		17,403	(16,933)	
Coal — risk management	25,767	(3,095)		24,843	(7,342)	
Total	93,153	(60,601)		51,586	(24,275)	
Total derivatives	95,451	(61,140)		54,863	(24,285)	
Effect of counterparty netting	(60,598)	60,598		(22,548)	22,548	
Net derivatives as classified in the balance sheets	$ 34,853	$ (542)	$ 34,311	$ 32,315	$ (1,737)	$ 30,578

		June 30, 2013	December 31, 2012
Net derivatives as reflected on the balance sheets			
Heating oil	Other current assets	$ 3,592	$ 9,340
Coal	Coal derivative assets	31,261	22,975
	Coal derivative liabilities	(542)	(1,737)
		$ 34,311	$ 30,578

The Company had a current asset for the right to reclaim cash collateral of $4.7 million and $16.2 million at June 30, 2013 and December 31, 2012, respectively. These amounts are not included with the derivatives presented in the table above and are included in "other current assets" in the accompanying condensed consolidated balance sheets.

The effects of derivatives on measures of financial performance are as follows:

Derivatives used in Cash Flow Hedging Relationships (in thousands)
For the three months ended June 30,

	Gain (Loss) Recognized in Other Comprehensive Income(Effective Portion)		Gains (Losses) Reclassified from Other Comprehensive Income into Income (Effective Portion)	
	2013	2012	2013	2012
Coal sales (1)	$ (648)	$ 2,231	$ 689	$ 809
Coal purchases (2)	613	(742)	(148)	—
Totals	$ (35)	$ 1,489	$ 541	$ 809

No ineffectiveness or amounts excluded from effectiveness testing relating to the Company's cash flow hedging relationships were recognized in the results of operations in the three month periods ended June 30, 2013 and 2012.

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Derivatives Not Designated as Hedging Instruments (in thousands)
For the three months ended June 30,

	Gain (Loss) Recognized	
	2013	2012
Coal — unrealized (3)	$ 4,109	$ 27,446
Coal — realized (4)	$ 6,579	$ 8,671
Heating oil — diesel purchases (4)	$ (5,211)	$ (22,509)
Heating oil — fuel surcharges (4)	$ (30)	$ (2,599)

Location in statement of operations:
(1) — Revenues
(2) — Cost of sales
(3) — Change in fair value of coal derivatives and coal trading activities, net
(4) — Other operating income, net

Derivatives used in Cash Flow Hedging Relationships (in thousands)
For the six months ended June 30

	Gain (Loss) Recognized in Other Comprehensive Income(Effective Portion)		Gains (Losses) Reclassified from Other Comprehensive Income into Income (Effective Portion)	
	2013	2012	2013	2012
Coal sales (1)	$ (824)	$ 4,724	$ 1,911	$ 1,010
Coal purchases (2)	431	(944)	(510)	—
Totals	$ (393)	$ 3,780	$ 1,401	$ 1,010

No ineffectiveness or amounts excluded from effectiveness testing relating to the Company's cash flow hedging relationships were recognized in the results of operations in the six month periods ended June 30, 2013 and 2012.

Derivatives Not Designated as Hedging Instruments (in thousands)
For the six months ended June 30

	Gain (Loss) Recognized	
	2013	2012
Coal — unrealized (3)	$ 5,579	$ 34,998
Coal — realized (4)	$ 15,796	$ 11,829
Heating oil — diesel purchases (4)	$ (9,472)	$ (22,086)
Heating oil — fuel surcharges (4)	$ (595)	$ (2,232)

Location in statement of operations:
(1) — Revenues
(2) — Cost of sales
(3) — Change in fair value of coal derivatives and coal trading activities, net
(4) — Other operating income, net

The Company recognized net unrealized and realized gains of $4.9 million and $4.6 million during the three months ended June 30, 2013 and 2012, respectively, related to its trading portfolio. The Company recognized net unrealized and realized gains of $2.1 million and $0.7 million during the six months ended June 30, 2013 and 2012, respectively, related to its trading portfolio, which are included in the caption "Change in fair value of coal derivatives and coal trading activities, net" in the accompanying condensed consolidated statements of operations, and are not included in the previous tables reflecting the effects of derivatives on measures of financial performance.

Based on fair values at June 30, 2013, gains on derivative contracts designated as hedge instruments in cash flow hedges of approximately $1.6 million are expected to be reclassified from other comprehensive income into earnings during the next twelve months.

9. Debt

	June 30, 2013	December 31, 2012
	(In thousands)	
Term loan ($1.63 billion face value) due 2018	$ 1,620,526	$ 1,627,384
8.75% senior notes ($600.0 million face value) due 2016	592,084	590,999
7.00% senior notes due 2019 at par	1,000,000	1,000,000
9.875% senior notes ($375.0 million face value) due 2019	361,200	360,042
7.25% senior notes due 2020 at par	500,000	500,000
7.25% senior notes due 2021 at par	1,000,000	1,000,000
Other	28,666	40,350
	5,102,476	5,118,775
Less current maturities of debt	23,842	32,896
Long-term debt	$ 5,078,634	$ 5,085,879

At June 30, 2013, the available borrowing capacity under the Company's lines of credit was approximately $245.8 million.

10. Fair Value Measurements

The hierarchy of fair value measurements assigns a level to fair value measurements based on the inputs used in the respective valuation techniques. The levels of the hierarchy, as defined below, give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

- Level 1 is defined as observable inputs such as quoted prices in active markets for identical assets. Level 1 assets include available-for-sale equity securities, U.S. Treasury securities, and coal futures that are submitted for clearing on the New York Mercantile Exchange.

- Level 2 is defined as observable inputs other than Level 1 prices. These include quoted prices for similar assets or liabilities in an active market, quoted prices for identical assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Company's level 2 assets and liabilities include U.S. government agency securities and commodity contracts (coal and heating oil) with fair values derived from quoted prices in over-the-counter markets or from prices received from direct broker quotes.

- Level 3 is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. These include the Company's commodity option contracts (coal and heating oil) valued using modeling techniques, such as Black-Scholes, that require the use of inputs, particularly volatility, that are rarely observable. Changes in the unobservable inputs would not have a significant impact on the reported Level 3 fair values at June 30, 2013.

The table below sets forth, by level, the Company's financial assets and liabilities that are recorded at fair value in the accompanying condensed consolidated balance sheet:

	Fair Value at June 30, 2013			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Assets:				
Investments in marketable securities	$ 260,936	$ 94,036	$ 166,900	$ —
Derivatives	34,853	30,959	—	3,894
Total assets	$ 295,789	$ 124,995	$ 166,900	$ 3,894
Liabilities:				
Derivatives	$ 542	$ —	$ 86	$ 456

The Company's contracts with its counterparties allow for the settlement of contracts in an asset position with contracts in a liability position in the event of default or termination. For classification purposes, the Company records the net fair value of all the positions with these counterparties as a net asset or liability. Each level in the table above displays the underlying contracts according to their classification in the accompanying condensed consolidated balance sheet, based on this counterparty netting.

The following table summarizes the change in the fair values of financial instruments categorized as level 3.

	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
	(In thousands)	
Balance, beginning of period	$ 5,642	$ 8,174
Realized and unrealized losses recognized in earnings, net	(4,840)	(9,312)
Realized and unrealized losses recognized in other comprehensive income, net	—	—
Purchases	2,636	5,853
Issuances	—	(25)
Settlements	—	(1,252)
Ending balance	$ 3,438	$ 3,438

Net unrealized losses during the three and six month periods ended June 30, 2013 related to level 3 financial instruments held on June 30, 2013 were $4.1 million and $6.9 million, respectively.

Fair Value of Long-Term Debt

At June 30, 2013 and December 31, 2012, the fair value of the Company's debt, including amounts classified as current, was $4.7 billion and $5.0 billion, respectively. Fair values are based upon observed prices in an active market, when available, or from valuation models using market information, which fall into Level 2 in the fair value hierarchy.

11. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	June 30, 2013	December 31, 2012
	(In thousands)	
Payroll and employee benefits	$ 62,890	$ 72,405
Taxes other than income taxes	119,018	121,029
Interest	40,150	42,413
Acquired sales contracts	15,550	14,038
Workers' compensation	14,033	10,371
Asset retirement obligations	38,919	38,920
Other	16,529	18,842
	$ 307,089	$ 318,018

12. Stock-Based Compensation and Other Incentive Plans

The Company granted options to purchase approximately 2.0 million shares of common stock during the six months ended June 30, 2013. The weighted average exercise price of the options was $5.23 per share and the weighted average grant-date fair value was $2.38 per share. The options' fair value was determined using the Black-Scholes option pricing model, using a weighted average risk-free rate of 0.648%, a weighted average dividend yield of 2.29% and a weighted average volatility of 66.76%. The options' expected life is 4.5 years and the options vest ratably over three years and provide for the continuation of vesting after retirement for recipients that meet certain criteria. The expense for these options will be recognized through the date that the employee first becomes eligible to retire and is no longer required to provide service to earn all or part of the award.

During the six months ended June 30, 2013, the Company also granted restricted stock units totaling 974,500 shares whose grant date fair value at the time of grant was $5.23. The shares vest at the end of three years.

The Company has a long-term incentive program that allows for the award of performance units. The total number of units earned by a participant is based on financial and operational performance measures, and may be paid out in cash or in shares of the Company's common stock. The Company recognizes compensation expense over the three-year term of the grant. Amounts accrued and unpaid for all grants under the plan totaled $12.7 million and $13.1 million as of June 30, 2013 and December 31, 2012, respectively.

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13. Workers' Compensation Expense

The following table details the components of workers' compensation expense:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
		(In thousands)		
Service cost	$ 505	$ 71	$ 1,010	$ 1,039
Interest cost	657	399	1,313	1,079
Net amortization	235	(851)	469	(574)
Curtailments	—	1,933	—	1,933
Total occupational disease	1,397	1,552	2,792	3,477
Traumatic injury claims and assessments	4,791	6,423	12,149	11,599
Total workers' compensation expense	$ 6,188	$ 7,975	$ 14,941	$ 15,076

14. Employee Benefit Plans

The following table details the components of pension benefit costs (credits):

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
		(In thousands)		
Service cost	$ 6,790	$ 7,310	$ 14,490	$ 14,906
Interest cost	3,876	4,092	7,802	8,072
Curtailments	—	324	—	324
Expected return on plan assets	(6,036)	(5,477)	(11,842)	(11,015)
Amortization of prior service costs (credits)	57	(37)	(101)	(73)
Amortization of other actuarial losses	4,264	4,200	8,814	7,771
Net benefit cost	$ 8,951	$ 10,412	$ 19,163	$ 19,985

The following table details the components of other postretirement benefit costs (credits):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Service cost	$ 538	$ 539	$ 1,094	$ 1,088
Interest cost	415	520	846	1,011
Curtailments	—	(1,837)	—	(1,837)
Amortization of prior service credits	(2,730)	(2,876)	(5,480)	(5,871)
Amortization of other actuarial losses (gains)	(75)	(171)	2	(261)
Net benefit credit	$ (1,852)	$ (3,825)	$ (3,538)	$ (5,870)

15. Earnings (Loss) Per Common Share

The effect of options, restricted stock and restricted stock units equaling 7.0 million and 5.3 million shares of common stock were excluded from the calculation of diluted weighted average shares outstanding for the three month periods ended June 30, 2013 and 2012, respectively, and 8.4 million and 4.5 million shares for the six month periods ending June 30, 2013 and 2012 respectively, because the exercise price or grant price of the securities exceeded the average market price of the Company's common stock for these periods. The weighted average share impact of options, restricted stock and restricted stock units that were excluded from the calculation of weighted average shares due to the Company's incurring a net loss for the three and six month periods ended June 30, 2013 and 2012 were not significant.

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16. Commitments and Contingencies

The Company accrues for cost related to contingencies when a loss is probable and the amount is reasonably determinable. Disclosure of contingencies is included in the financial statements when it is at least reasonably possible that a material loss or an additional material loss in excess of amounts already accrued may be incurred.

Allegheny Energy Supply ("Allegheny"), the sole customer of coal produced at the Company's subsidiary Wolf Run Mining Company's ("Wolf Run") Sycamore No. 2 mine, filed a lawsuit against Wolf Run, Hunter Ridge Holdings, Inc. ("Hunter Ridge"), and ICG in state court in Allegheny County, Pennsylvania on December 28, 2006, and amended its complaint on April 23, 2007. Allegheny claimed that Wolf Run breached a coal supply contract when it declared force majeure under the contract upon idling the Sycamore No. 2 mine in the third quarter of 2006, and that Wolf Run continued to breach the contract by failing to ship in volumes referenced in the contract. The Sycamore No. 2 mine was idled after encountering adverse geologic conditions and abandoned gas wells that were previously unidentified and unmapped.

After extensive searching for gas wells and rehabilitation of the mine, it was re-opened in 2007, but with notice to Allegheny that it would necessarily operate at reduced volumes in order to safely and effectively avoid the many gas wells within the reserve. The amended complaint also alleged that the production stoppages constitute a breach of the guarantee agreement by Hunter Ridge and breach of certain representations made upon entering into the contract in early 2005. Allegheny voluntarily dropped the breach of representation claims later. Allegheny claimed that it would incur costs in excess of $100 million to purchase replacement coal over the life of the contract. ICG, Wolf Run and Hunter Ridge answered the amended complaint on August 13, 2007, disputing all of the remaining claims.

On November 3, 2008, ICG, Wolf Run and Hunter Ridge filed an amended answer and counterclaim against the plaintiffs seeking to void the coal supply agreement due to, among other things, fraudulent inducement and conspiracy. On September 23, 2009, Allegheny filed a second amended complaint alleging several alternative theories of liability in its effort to extend contractual liability to ICG, which was not a party to the original contract and did not exist at the time Wolf Run and Allegheny entered into the contract. No new substantive claims were asserted. ICG answered the second amended complaint on October 13, 2009, denying all of the new claims. The Company's counterclaim was dismissed on motion for summary judgment entered on May 11, 2010. Allegheny's claims against ICG were also dismissed by summary judgment, but the claims against Wolf Run and Hunter Ridge were not. The court conducted a non-jury trial of this matter beginning on January 10, 2011 and concluding on February 1, 2011.

At the trial, Allegheny presented its evidence for breach of contract and claimed that it is entitled to past and future damages in the aggregate of between $228 million and $377 million. Wolf Run and Hunter Ridge presented their defense of the claims, including evidence with respect to the existence of force majeure conditions and excuse under the contract and applicable law. Wolf Run and Hunter Ridge presented evidence that Allegheny's damages calculations were significantly inflated because it did not seek to determine damages as of the time of the breach and in some instances artificially assumed future nondelivery or did not take into account the apparent requirement to supply coal in the future. On May 2, 2011, the trial court entered a Memorandum and Verdict determining that Wolf Run had breached the coal supply contract and that the performance shortfall was not excused by force majeure. The trial court awarded total damages and interest in the amount of $104.1 million, which consisted of $13.8 million for past damages, and $90.3 million for future damages. ICG and Allegheny filed post-verdict motions in the trial court and on August 23, 2011, the court denied the parties' motions. The court entered a final judgment on August 25, 2011, in the amount of $104.1 million, which included pre-judgment interest.

The parties appealed the lower court's decision to the Superior Court of Pennsylvania. On August 13, 2012, the Superior Court of Pennsylvania affirmed the award of past damages, but ruled that the lower court should have calculated future damages as of the date of breach, and remanded the matter back to the lower court with instructions to recalculate that portion of the award. On November 19, 2012, Allegheny filed a Petition for Allowance of Appeal with the Supreme Court of Pennsylvania and Wolf Run and Hunter Ridge filed an Answer. On July 2, 2013, the Supreme Court of Pennsylvania denied the Petition of Allowance. As this action finalized the past damage award, Wolf Run paid $15.6 million for the past damage amount, including interest, to Allegheny in July 2013. The future damage award is now back before the lower court, but no hearing dates have been set at this time.

In addition, the Company is a party to numerous claims and lawsuits with respect to various matters. As of June 30, 2013 and December 31, 2012, the Company had accrued $32.7 million and $32.8 million, respectively, for all legal matters, including $3.6 million and $4.4 million, respectively, classified as current. The ultimate resolution of any such legal matter could result in outcomes which may be materially different from amounts the Company has accrued for such matters.

17. Segment Information

The Company has three reportable business segments, which are based on the major coal producing basins in which the Company operates. Each of these reportable business segments includes a number of mine complexes. The Company manages its coal sales by coal basin, not by individual mine complex. Geology, coal transportation routes to customers, regulatory environments and coal quality or type are characteristic to a basin. Accordingly, market and contract pricing have developed by coal basin. Mine operations are evaluated based on their per-ton operating costs (defined as including all mining costs but excluding pass-through transportation expenses), as well as on other non-financial measures, such as safety and environmental performance. The Company's reportable segments are the Powder River Basin (PRB) segment, with operations in Wyoming; the WBIT segment, with operations in Utah and Colorado; the Appalachia (APP) segment, with operations in West Virginia, Kentucky, Maryland and Virginia. The "Other" operating segment includes primarily the Company's Illinois operations and ADDCAR subsidiary, which manufactures and sells its patented highwall mining system.

Operating segment results for the three and six months ended June 30, 2013 and 2012 are presented below. Results for the reportable segments include all direct costs of mining, including all depreciation, depletion and amortization related to the mining operations, even if the assets are not recorded at the operating segment level. Corporate, Other and Eliminations includes these charges, as well as the change in fair value of coal derivatives and coal trading activities, net; corporate overhead; land management; other support functions; and the elimination of intercompany transactions. The operating segment results for the WBIT segment for all periods presented reflect only continuing operations, since Canyon Fuel results are classified as discontinued operations in the condensed consolidated statement of operations.

The asset amounts below represent an allocation of assets consistent with the basis used for the Company's incentive compensation plans. The amounts in Corporate, Other and Eliminations represent primarily corporate assets (cash, receivables, investments, plant, property and equipment) as well as unassigned coal reserves, above-market acquired sales contracts and other unassigned assets. Goodwill is allocated to the respective reporting units, even though it may not be reflected in the subsidiaries' financial statements. Asset balances for the WBIT segment include assets held for sale. Prior year asset amounts have been restated to reflect a change in how certain unassigned coal reserves and goodwill amounts are presented.

	PRB	APP	WBIT	Other Operating Segments	Corporate, Other and Eliminations	Consolidated
			(in thousands)			
Three months ended June 30, 2013						
Revenues	$ 353,425	$ 337,678	$ 41,840	$ 33,389	$ —	$ 766,332
Income (loss) from operations	16,798	(5,238)	12,140	1,167	(61,146)	(36,279)
Depreciation, depletion and amortization	42,147	56,006	8,396	2,660	1,876	111,085
Amortization of acquired sales contracts, net	(941)	(2,812)	—	1,544	—	(2,209)
Asset impairment and mine closure costs	—	—	—	—	20,482	20,482
Capital expenditures	1,819	43,470	5,786	3,031	60,436	114,542
Three months ended June 30, 2012						
Revenues	$ 322,512	$ 504,309	$ 101,699	$ 37,165	$ —	$ 965,685
Income (loss) from operations	22,747	(493,093)	5,870	1,291	(133,708)	(596,893)
Depreciation, depletion and amortization	37,131	73,176	10,122	3,423	684	124,536
Amortization of acquired sales contracts, net	31	(4,859)	—	377	—	(4,451)
Asset impairment and mine closure costs	—	525,916	—	(227)	(106)	525,583
Capital expenditures	5,793	78,102	14,114	(1,131)	11,924	108,802
Six months ended June 30, 2013						
Revenues	$ 715,371	$ 620,296	$ 109,352	$ 58,683	$ —	$ 1,503,702
Income (loss) from operations	32,550	(32,395)	14,480	(407)	(101,938)	(87,710)
Depreciation, depletion and amortization	84,374	111,337	17,092	5,269	3,206	221,278
Amortization of acquired sales contracts, net	(2,140)	(5,284)	—	2,405	—	(5,019)
Asset impairment and mine closure costs	—	—	—	—	20,482	20,482
Total assets	1,954,828	4,264,500	651,884	154,354	2,705,163	9,730,729
Capital expenditures	3,976	92,766	7,288	3,513	61,521	169,064
Six months ended June 30, 2012						
Revenues	$ 723,689	$ 973,367	$ 166,844	$ 62,022	$ —	$ 1,925,922
Income (loss) from operations	55,290	(477,258)	10,827	(2,459)	(155,496)	(569,096)
Depreciation, depletion and amortization	78,354	149,193	19,909	7,110	1,123	255,689
Amortization of acquired sales contracts, net	(785)	(17,947)	—	264	—	(18,468)
Asset impairment and mine closure costs	—	525,916	—	(227)	(106)	525,583
Total assets	2,044,743	4,154,871	715,362	170,446	2,868,516	9,953,938
Capital expenditures	9,779	144,405	29,251	4,513	14,125	202,073

A reconciliation of segment income (loss) from operations to consolidated loss before income taxes follows:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
	(In thousands)			
Loss from operations	$ (36,279)	$ (596,893)	$ (87,710)	$ (569,096)
Interest expense	(94,756)	(78,728)	(189,830)	(153,500)

Interest and investment income	1,216	1,088	4,052	2,109
Other nonoperating expenses	$ —	$ (19,042)	$ —	$ (19,042)
Loss from continuing operations before income taxes	$ (129,819)	$ (693,575)	$ (273,488)	$ (739,529)

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18. Supplemental Condensed Consolidating Financial Information

Pursuant to the indentures governing Arch Coal, Inc.'s senior notes, certain wholly-owned subsidiaries of the Company have fully and unconditionally guaranteed the senior notes on a joint and several basis. The following tables present condensed consolidating financial information for (i) the Company, (ii) the issuer of the senior notes, (iii) the guarantors under the senior notes, and (iv) the entities which are not guarantors under the senior notes (Arch Receivable Company, LLC and the Company's subsidiaries outside the U.S.):

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Condensed Consolidating Statements of Operations
Three Months Ended June 30, 2013

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Revenues	$ —	$ 766,332	$ —	$ —	$ 766,332
Costs, expenses and other					
Cost of sales (exclusive of items shown separately below)	1,829	654,369	—	—	656,198
Depreciation, depletion and amortization	1,475	109,601	9	—	111,085
Amortization of acquired sales contracts, net	—	(2,209)	—	—	(2,209)
Change in fair value of coal derivatives and coal trading activities, net	—	(9,008)	—	—	(9,008)
Asset impairment and mine closure costs	20,482	—	—	—	20,482
Selling, general and administrative expenses	22,205	10,729	1,368	—	34,302
Other operating income, net	(1,101)	(7,041)	(97)	—	(8,239)
	44,890	756,441	1,280	—	802,611
Income from investment in subsidiaries	26,961	—	—	(26,961)	—
Income (loss) from operations	(17,929)	9,891	(1,280)	(26,961)	(36,279)
Interest expense, net:					
Interest expense	(110,946)	(5,825)	(1,059)	23,074	(94,756)
Interest and investment income	7,201	15,566	1,523	(23,074)	1,216
	(103,745)	9,741	464	—	(93,540)
Income (loss) from continuing operations before income taxes	(121,674)	19,632	(816)	(26,961)	(129,819)
Benefit from income taxes	(49,468)	—	—	—	(49,468)
Income (loss) from continuing operations	(72,206)	19,632	(816)	(26,961)	(80,351)
Income from discontinued operations, net of tax	—	8,145	—	—	8,145
Net income (loss)	$ (72,206)	$ 27,777	$ (816)	$ (26,961)	$ (72,206)
Total comprehensive income (loss)	$ (68,163)	$ 28,123	$ (816)	$ (27,307)	$ (68,163)

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Condensed Consolidating Statements of Operations
Six Months Ended June 30, 2013

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Revenues	$ —	$ 1,503,702	$ —	$ —	$ 1,503,702
Costs, expenses and other					
Cost of sales (exclusive of items shown separately below)	4,712	1,301,229	—	—	1,305,941
Depreciation, depletion and amortization	2,880	218,380	18	—	221,278
Amortization of acquired sales contracts, net	—	(5,019)	—	—	(5,019)
Change in fair value of coal derivatives and coal trading activities, net	—	(7,700)	—	—	(7,700)
Asset impairment and mine closure costs	20,482	—	—	—	20,482
Selling, general and administrative expenses	43,903	20,763	2,845	—	67,511
Other operating income, net	(7,009)	(2,963)	(1,109)	—	(11,081)
	64,968	1,524,690	1,754	—	1,591,412

Income from investment in subsidiaries	19,492	—	—	(19,492)	—
Loss from operations	(45,476)	(20,988)	(1,754)	(19,492)	(87,710)
Interest expense, net:					
Interest expense	(221,761)	(12,130)	(2,100)	46,161	(189,830)
Interest and investment income	16,161	30,998	3,054	(46,161)	4,052
	(205,600)	18,868	954	—	(185,778)
Loss from continuing operations before income taxes	(251,076)	(2,120)	(800)	(19,492)	(273,488)
Benefit from income taxes	(108,821)	—	—	—	(108,821)
Loss from continuing operations	(142,255)	(2,120)	(800)	(19,492)	(164,667)
Income from discontinued operations, net of tax	—	22,412	—	—	22,412
Net income (loss)	$ (142,255)	$ 20,292	$ (800)	$ (19,492)	$ (142,255)
Total comprehensive income (loss)	$ (136,721)	$ 20,202	$ (800)	$ (19,402)	$ (136,721)

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Condensed Consolidating Statements of Operations
Three Months Ended June 30, 2012

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Revenues	$ —	$ 965,685	$ —	$ —	$ 965,685
Costs, expenses and other					
Cost of sales (exclusive of items shown separately below)	2,291	797,267	—	—	799,558
Depreciation, depletion and amortization	1,344	123,183	9	—	124,536
Amortization of acquired sales contracts, net	—	(4,451)	—	—	(4,451)
Change in fair value of coal derivatives and coal trading activities, net	—	(32,054)	—	—	(32,054)
Asset impairment and mine closure costs	—	525,583	—	—	525,583
Goodwill impairment	—	115,791	—	—	115,791
Selling, general and administrative expenses	21,775	11,895	1,508	—	35,178
Other operating income, net	6,471	(8,034)	—	—	(1,563)
	31,881	1,529,180	1,517	—	1,562,578
Income from investment in subsidiaries	(553,726)	—	—	553,726	—
Loss from operations	(585,607)	(563,495)	(1,517)	553,726	(596,893)
Interest expense, net:					
Interest expense	(89,729)	(9,143)	(695)	20,839	(78,728)
Interest and investment income	6,142	13,832	1,953	(20,839)	1,088
	(83,587)	4,689	1,258	—	(77,640)
Other nonoperating expense					
Net loss resulting from early retirement and refinancing of debt	(17,349)	(1,693)	—	—	(19,042)
Loss from continuing operations before income taxes	(686,543)	(560,499)	(259)	553,726	(693,575)
Benefit from income taxes	(251,119)	—	—	—	(251,119)
Loss from continuing operations	(435,424)	(560,499)	(259)	553,726	(442,456)
Income from discontinued operations, net of tax	—	7,032	—	—	7,032
Net loss	(435,424)	(553,467)	(259)	553,726	(435,424)
Less: Net income attributable to noncontrolling interest	(65)	—	—	—	(65)
Net loss attributable to Arch Coal, Inc.	$ (435,489)	$ (553,467)	$ (259)	$ 553,726	$ (435,489)
Total comprehensive loss	$ (438,473)	$ (556,835)	$ (259)	$ 557,094	$ (438,473)

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Condensed Consolidating Statements of Operations
Six Months Ended June 30, 2012

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Revenues	$ —	$ 1,925,922	$ —	$ —	$ 1,925,922
Costs, expenses and other					—
Cost of sales (exclusive of items shown separately below)	5,258	1,600,559	—	—	1,605,817
Depreciation, depletion and amortization	2,560	253,114	15	—	255,689
Amortization of acquired sales contracts, net	—	(18,468)	—	—	(18,468)
Change in fair value of coal derivatives and coal trading activities, net	—	(35,667)	—	—	(35,667)

Asset impairment and mine closure costs	—	525,583	—	—	525,583
Goodwill impairment	—	115,791	—	—	115,791
Selling, general and administrative expenses	40,418	21,533	4,088	—	66,039
Other operating income, net	3,360	(10,766)	(12,360)	—	(19,766)
	51,596	2,451,679	(8,257)	—	2,495,018
Income from investment in subsidiaries	(487,046)	—	—	487,046	—
Income (loss) from operations	(538,642)	(525,757)	8,257	487,046	(569,096)
Interest expense, net:					
Interest expense	(171,809)	(20,468)	(1,733)	40,510	(153,500)
Interest and investment income	10,811	27,943	3,865	(40,510)	2,109
	(160,998)	7,475	2,132	—	(151,391)
Other non-operating expense					
Net loss resulting from early retirement of ICG debt	(17,349)	(1,693)	—	—	(19,042)
Income (loss) from continuing operations before income taxes	(716,989)	(519,975)	10,389	487,046	(739,529)
Benefit from income taxes	(282,974)	—	—	—	(282,974)
Income (loss) from continuing operations	(434,015)	(519,975)	10,389	487,046	(456,555)
Income from discontinued operations, net of tax	—	22,540	—	—	22,540
Net Income (loss)	(434,015)	(497,435)	10,389	487,046	(434,015)
Less: Net income attributable to noncontrolling interest	(268)	—	—	—	(268)
Net Income (loss) attributable to Arch Coal, Inc.	$ (434,283)	$ (497,435)	$ 10,389	$ 487,046	$ (434,283)
Total comprehensive income (loss)	$ (429,764)	$ (499,359)	$ 10,389	$ 488,970	$ (429,764)

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Condensed Consolidating Balance Sheets
June 30, 2013

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Assets					
Cash and cash equivalents	$ 531,805	$ 100,447	$ 11,953	$ —	$ 644,205
Restricted cash	1,085	—	—	—	1,085
Short term investments	248,464	—	—	—	248,464
Receivables	51,720	25,508	264,005	(4,695)	336,538
Inventories	—	356,653	—	—	356,653
Other	97,171	70,748	473	—	168,392
Total current assets	930,245	553,356	276,431	(4,695)	1,755,337
Property, plant and equipment, net	26,118	7,205,048	55	—	7,231,221
Investment in subsidiaries	8,291,665	—	—	(8,291,665)	—
Intercompany receivables	(1,496,992)	1,746,169	(249,177)	—	—
Note receivable from Arch Western	675,000	—	—	(675,000)	—
Other	164,358	579,723	90	—	744,171
Total other assets	7,634,031	2,325,892	(249,087)	(8,966,665)	744,171
Total assets	$ 8,590,394	$ 10,084,296	$ 27,399	$ (8,971,360)	$ 9,730,729
Liabilities and Stockholders' Equity					
Accounts payable	$ 29,870	$ 202,495	$ 68	$ —	$ 232,433
Accrued expenses and other current liabilities	61,806	250,096	424	(4,695)	307,631
Current maturities of debt	20,790	3,052	—	—	23,842
Total current liabilities	112,466	455,643	492	(4,695)	563,906
Long-term debt	5,057,310	21,324	—	—	5,078,634
Note payable to Arch Coal	—	675,000	—	(675,000)	—
Asset retirement obligations	1,685	413,175	—	—	414,860
Accrued pension benefits	33,759	33,144	—	—	66,903
Accrued postretirement benefits other than pension	14,372	31,986	—	—	46,358
Accrued workers' compensation	23,601	55,403	—	—	79,004
Deferred income taxes	565,047	—	—	—	565,047
Other noncurrent liabilities	71,240	133,612	251	—	205,103
Total liabilities	5,879,480	1,819,287	743	(679,695)	7,019,815
Stockholders' equity	2,710,914	8,265,009	26,656	(8,291,665)	2,710,914
Total liabilities and stockholders' equity	$ 8,590,394	$ 10,084,296	$ 27,399	$ (8,971,360)	$ 9,730,729

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Condensed Consolidating Balance Sheets
December 31, 2012

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 671,313	$ 100,468	$ 12,841	$ —	$ 784,622
Restricted cash	3,453	—	—	—	3,453
Short term investments	234,305	—	—	—	234,305
Receivables	49,281	40,452	247,171	(4,824)	332,080
Inventories	—	365,424	—	—	365,424
Other	106,786	86,877	557	—	194,220
Total current assets	1,065,138	593,221	260,569	(4,824)	1,914,104
Property, plant and equipment, net	27,476	7,309,550	72	—	7,337,098
Investment in subsidiaries	8,254,508	—	—	(8,254,508)	—
Intercompany receivables	(1,367,739)	1,600,311	(232,572)	—	—
Note receivable from Arch Western	675,000	—	—	(675,000)	—
Other	187,171	568,314	90	—	755,575
Total other assets	7,748,940	2,168,625	(232,482)	(8,929,508)	755,575
Total assets	$ 8,841,554	$ 10,071,396	$ 28,159	$ (8,934,332)	$ 10,006,777
Liabilities and Stockholders' Equity					
Accounts payable	$ 19,859	$ 204,370	$ 189	$ —	$ 224,418
Accrued expenses and other current liabilities	65,293	259,162	124	(4,824)	319,755
Current maturities of debt	32,054	842	—	—	32,896
Total current liabilities	117,206	464,374	313	(4,824)	577,069
Long-term debt	5,061,925	23,954	—	—	5,085,879
Note payable to Arch Coal	—	675,000	—	(675,000)	—
Asset retirement obligations	1,646	408,059	—	—	409,705
Accrued pension benefits	33,456	34,174	—	—	67,630
Accrued postretirement benefits other than pension	13,953	31,133	—	—	45,086
Accrued workers' compensation	25,323	56,306	—	—	81,629
Deferred income taxes	664,182	—	—	—	664,182
Other noncurrent liabilities	69,296	151,360	374	—	221,030
Total liabilities	5,986,987	1,844,360	687	(679,824)	7,152,210
Stockholders' equity	2,854,567	8,227,036	27,472	(8,254,508)	2,854,567
Total liabilities and stockholders' equity	$ 8,841,554	$ 10,071,396	$ 28,159	$ (8,934,332)	$ 10,006,777

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Condensed Consolidating Statements of Cash Flows
Six Months Ended June 30, 2013

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated
Cash provided by (used in) operating activities	$ (217,517)	$ 287,055	$ (17,493)	$ —	$ 52,045
Investing Activities					
Capital expenditures	(1,511)	(167,553)	—	—	(169,064)
Minimum royalty payments	—	(10,162)	—	—	(10,162)
Proceeds from dispositions of property, plant and equipment	—	5,080	—	—	5,080
Proceeds from sales-leaseback transactions	—	34,919	—	—	34,919
Purchases of short term investments	(61,870)	—	—	—	(61,870)
Proceeds from sales of short term investments	47,097	—	—	—	47,097
Investments in and advances to affiliates	(3,012)	(5,385)	—	255	(8,142)
Change in restricted cash	2,368	—	—	—	2,368
Cash used in investing activities	(16,928)	(143,101)	—	255	(159,774)
Financing Activities					
Contributions from parent	—	255	—	(255)	—
Payments on term note	(8,250)	—	—	—	(8,250)
Payments to retire debt	—	(255)	—	—	(255)
Net payments on other debt	(11,448)	—	—	—	(11,448)
Dividends paid	(12,735)	—	—	—	(12,735)
Transactions with affiliates, net	127,370	(143,975)	16,605	—	—
Cash provided by (used in) financing activities	94,937	(143,975)	16,605	(255)	(32,688)
Decrease in cash and cash equivalents	(139,508)	(21)	(888)	—	(140,417)
Cash and cash equivalents, beginning of period	671,313	100,468	12,841	—	784,622
Cash and cash equivalents, end of period	$ 531,805	$ 100,447	$ 11,953	$ —	$ 644,205

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Condensed Consolidating Statements of Cash Flows
Six Months Ended June 30, 2012

	Parent/Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In thousands)		
Cash provided by (used in) operating activities	$ (430,689)	$ 482,454	$ 43,543	$ —	$ 95,308
Investing Activities					
Capital expenditures	(3,973)	(198,100)	—	—	(202,073)
Minimum royalty payments	—	(8,634)	—	—	(8,634)
Proceeds from dispositions of property, plant and equipment	—	1,054	21,497	—	22,551
Investments in and advances to affiliates	(3,683)	(6,992)	—	1,383	(9,292)
Change in restricted cash	4,582	—	—	—	4,582
Cash provided by (used in) investing activities	(3,074)	(212,672)	21,497	1,383	(192,866)
Financing Activities					
Contributions from parent	—	1,383	—	(1,383)	—
Proceeds from issuance of term loan	1,386,000	—	—	—	1,386,000
Payments to retire debt	—	(452,654)	—	—	(452,654)
Net decrease in borrowings under lines of credit	(375,000)	—	(16,300)	—	(391,300)
Net payments from other debt	(11,164)	—	—	—	(11,164)
Debt financing costs	(34,335)	—	(46)	—	(34,381)
Dividends paid	(29,696)	—	—	—	(29,696)
Proceeds from exercise of options under incentive plans	5,131	—	—	—	5,131
Transactions with affiliates, net	(173,017)	211,684	(38,667)	—	—
Cash provided by (used in) financing activities	767,919	(239,587)	(55,013)	(1,383)	471,936
Increase in cash and cash equivalents	334,156	30,195	10,027	—	374,378
Cash and cash equivalents, beginning of period	66,542	70,258	1,349	—	138,149
Cash and cash equivalents, end of period	$ 400,698	$ 100,453	$ 11,376	$ —	$ 512,527

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

The weakness in global coal markets continued in the second quarter of 2013, impacting our results for the period in both sales volumes and pricing. International thermal markets are not showing signs of near-term improvement and we expect thermal coal exports to level off during the remainder of 2013. We expect industry-wide coal exports to be less than 2012 levels, but still high by historical standards. We exported 5.5 million tons in the first half of 2013, compared to approximately 7 million tons in the first half of 2012, with metallurgical coal exports increasing and thermal coal exports decreasing.

While metallurgical coal demand remains relatively stable, driven by solid utilization rates at U.S. steel mills, metallurgical markets remain oversupplied, and prices remained lower than in the first half of 2012. At the same time, trends relating to the domestic thermal coal markets are improving. Coal consumption by electric generation facilities grew more than 10% through May of 2013 compared with the same period last year. Higher natural gas prices and cool spring weather have contributed to the stronger coal consumption trends. These trends are correcting the significant U.S. coal stockpile overhang that was built during 2012. However, we expect the weakness in Appalachian thermal coal demand to continue unless natural gas prices rise further, and we currently project that production in that region will fall further in 2013.

During the current market downturn, management has continued to focus on capital spending reductions, cost containment and efficiency efforts and working capital and liquidity management to improve cash flows and prepare the company to capitalize on opportunities when coal markets recover. As part of a strategy to divest non-core thermal coal assets, we have entered into a definitive agreement to sell Canyon Fuel Company, LLC ("Canyon Fuel"), a wholly-owned subsidiary, to Bowie Resources, LLC for $435 million. Canyon Fuel operates the Sufco and Skyline longwall mining complexes and the Dugout Canyon continuous miner operation in Utah. The transaction is expected to close during the third quarter of 2013. See Note 3, "Discontinued Operations", to the condensed consolidated financial statements for further information.

Operational performance

The following table shows results by operating segment for the three and six months ended June 30, 2013 and compares it with the information for the three and six months ended June 30, 2012:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Powder River Basin				
Tons sold (in thousands)	27,131	21,833	53,743	49,048
Coal sales realization per ton sold(1)	$ 12.56	$ 13.65	$ 12.62	$ 13.77

Cost per ton sold	$ 12.02	$ 12.71	$ 12.13	$ 12.72
Operating margin per ton sold(2)	$ 0.54	$ 0.94	$ 0.49	$ 1.05
Adjusted EBITDA(3) (in thousands)	$ 58,004	$ 61,973	$ 114,784	$ 136,167
Appalachia				
Tons sold (in thousands)	4,042	5,202	7,429	9,867
Coal sales realization per ton sold(1)	$ 74.18	$ 85.45	$ 74.45	$ 86.98
Cost per ton sold	$ 78.86	$ 80.92	$ 80.64	$ 83.45
Operating margin (loss) per ton sold(2)	$ (4.68)	$ 4.53	$ (6.19)	$ 3.53
Adjusted EBITDA(3) (in thousands)	$ 47,956	$ 128,058	$ 73,658	$ 208,500
Western Bituminous (includes Canyon Fuel)				
Tons sold (in thousands)	3,180	3,985	6,687	7,246
Coal sales realization per ton sold(1)	$ 35.88	$ 33.35	$ 35.70	$ 34.90
Cost per ton sold	$ 30.25	$ 28.88	$ 29.64	28.04
Operating margin per ton sold(2)	$ 5.63	$ 4.47	$ 6.06	$ 6.86
Adjusted EBITDA(3) (in thousands)	$ 34,409	$ 36,564	$ 76,719	$ 87,367

(1) These per-ton measurements reflect classification adjustments to numbers reported under U.S. GAAP to reflect the results we achieved within our operating segments. Since other companies may calculate these per ton amounts differently, our calculation may not be comparable to similarly titled measures used by those companies.

(2) Operating margin per ton sold is calculated as coal sales revenues less cost of coal sales, depreciation, depletion and amortization and sales contract amortization divided by tons sold.

(3) Adjusted EBITDA is defined as net income or loss attributable to the segment before the effect of net interest expense, income taxes, depreciation, depletion and amortization and the amortization of acquired sales contracts. Adjusted EBITDA may also be adjusted for items that may not reflect the trend of future results. Segment Adjusted EBITDA is reconciled to net loss at the end of this "Results of Operations" section.

Powder River Basin — Segment Adjusted EBITDA decreased in the second quarter and first half of 2013 when compared to the second quarter and first half of 2012, due to continued weak coal market conditions, which resulted in lower per-ton realizations on market-based tons. The increase in coal consumption by electric generation facilities during the second quarter contributed to an increase in sales volumes (24% in the second quarter and 10% in the first half of 2013 compared to the respective periods in 2012). In the second quarter of 2012, we curtailed production in response to weaker conditions in the market for Powder River Basin coal, the result of decade-low natural gas prices. Per-ton costs decreased 5% in both the quarter and year -to-date periods due to cost control efforts and the increase in sales volumes, as well as a decrease in production taxes and royalties that fluctuate with selling prices ($0.10/ton and $0.22/ton in the second quarter and first half of 2013, respectively, when compared with 2012). Higher natural gas prices contributed to an increase in the cost of explosives in the second quarter of 2013 when compared with the second quarter of 2012, partially offsetting this decrease in costs.

Appalachia — Segment Adjusted EBITDA decreased significantly in the second quarter and first half of 2013 when compared to 2012, due to the weak coal market conditions, resulting in lower thermal coal sales volumes and also lower average coal pricing, particularly on metallurgical coal shipments. We sold 2.1 million tons of metallurgical-quality coal in the second quarter of 2013 compared to 1.9 million tons in the second quarter of 2012. We sold 3.8 million tons of metallurgical-quality coal in the first half of 2013 compared to 3.5 million tons in the first half of 2012. Per-ton costs have decreased despite the significant decrease in sales volumes due to the impact of idling higher-cost thermal coal mining operations in 2012 and our cost containment and efficiency efforts. The average cost of sales per ton of operations we idled in 2012 was approximately $95 per ton in the second quarter of 2012 and $100 per ton in the first half of 2012.

Western Bituminous — The amounts in the above table include the results of Canyon Fuel. Segment Adjusted EBITDA decreased from 2012 due to lower sales volumes, which resulted in an increase in per-ton costs. Per ton costs for the first half of the year also increased due to an increase in scheduled maintenance costs.

Reconciliation to amounts reported in statement of operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Impact of Canyon Fuel results included in per ton amounts but segregated and included in discontinued operations in statement of operations				
Western Bituminous per-ton realizations	$ 3.83	$ 3.92	$ 5.41	$ 4.28
Western Bituminous per-ton cost of sales	$ 5.62	$ 4.95	$ 4.38	$ 2.50
Transportation costs netted against per-ton realizations to reflect netback price to the region				
Powder River Basin	$ 0.46	$ 1.12	$ 0.69	$ 1.00
Appalachia	$ 7.57	$ 10.83	$ 7.95	$ 10.95
Western Bituminous	$ 5.28	$ 17.77	$ 8.12	$ 12.57
API-2 risk management position settlements included in per-ton realizations not classified as coal sales revenues in statement of operations				
Appalachia	$ 0.66	$ 0.86	$ 0.72	$ 0.67
Western Bituminous	$ 1.23	$ 1.05	$ 1.56	$ 0.71
Diesel risk management position settlements not classified as cost of coal sales in statement of operations				
Powder River Basin	$ 0.10	$ 0.08	$ 0.12	$ 0.04

Appalachia	$	0.22	$	0.07	$	0.26	$	0.04

Results of Operations

The results of operations presented below reflect amounts in our condensed consolidated statements of operations. These exclude the results of Canyon Fuel, as those are presented as one line item, net of tax, in the condensed consolidated statements of operations.

Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012

Summary. Our results during the second quarter of 2013, when compared to the second quarter of 2012, were impacted by weaker market conditions.

Revenues. Our revenues consist of coal sales and revenues from our ADDCAR subsidiary acquired with ICG.

Coal Sales. The following table summarizes information about our coal sales during the three months ended June 30, 2013 and compares it with the information for the three months ended June 30, 2012:

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	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Increase (Decrease)
	(In thousands)		
Coal sales	$ 761,605	$ 950,367	$ (188,762)
Tons sold	32,953	29,387	3,566

Coal sales decreased 21% in the second quarter of 2013 from the second quarter of 2012 due to lower realized prices. Lower average realizations per ton sold, due to the weak coal markets and a lower percentage of higher-priced thermal coal sales out of Appalachia, resulted in a decrease in revenues of approximately $122 million. The increase in sales volumes in our Powder River Basin segment (an increase of $78 million) was offset by the impact of lower volumes from the Appalachia and Western Bituminous segments that were the result of weak regional and international thermal coal markets (a decrease of $152 million).

Costs, expenses and other. The following table summarizes costs, expenses and other components of operating income for the three months ended June 30, 2013 and compares it with the information for the three months ended June 30, 2012:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	(Increase) Decrease in Net Loss
	(In thousands)		
Cost of sales (exclusive of items shown separately below)	$ 656,198	$ 799,558	$ 143,360
Depreciation, depletion and amortization	111,085	124,536	13,451
Amortization of acquired sales contracts, net	(2,209)	(4,451)	(2,242)
Change in fair value of coal derivatives and coal trading activities, net	(9,008)	(32,054)	(23,046)
Asset impairment and mine closure costs	20,482	525,583	505,101
Goodwill impairment	—	115,791	115,791
Selling, general and administrative expenses	34,302	35,178	876
Other operating income, net	(8,239)	(1,563)	6,676
Total costs, expenses and other	$ 802,611	$ 1,562,578	$ 759,967

Cost of coal sales. Our cost of sales decreased in the second quarter of 2013 from the second quarter of 2012 primarily due to lower per-ton average production costs ($146 million). In addition, transportation costs decreased $77 million in the second quarter of 2013 from the second quarter of 2012 due to a decrease in export shipments. Partially offsetting these cost decreases was the increase in sales volumes, which resulted in an increase of $80 million in cost of sales. These factors are discussed in detail in the "Operational performance" section.

Depreciation, depletion and amortization. When compared with the second quarter of 2012, depreciation, depletion and amortization costs decreased in 2013 due to the decreases in production in the higher-cost Appalachia and Western Bituminous segments for the respective periods, including the impact of mine closures in 2012.

Change in fair value of coal derivatives and coal trading activities, net. The gains reflected in 2013 and 2012 relate primarily to positions in the API-2 market, the derivatives market for coal delivered into Europe. We entered into these positions to manage price risk on physical export sales into Europe. As these positions are not accounted for as hedges, changes in the positions' fair value prior to settlement is recognized in the condensed consolidated statement of operations. When the positions settle, the realized gains and losses are reclassified to "other operating income, net". The decrease in the gains in the second quarter of 2013 from the second quarter of 2012 is the result of a decrease in positions outstanding and a decrease in the prices in the API-2 market.

Asset impairment and mine closure costs. In the second quarter of 2012, we closed or idled eight higher-cost thermal coal operations in Appalachia, along with other production curtailments, in response to market conditions. As a result, we recognized impairment charges to write down property, plant, and equipment, and incurred other costs, primary labor and contract termination, related to the closures. In the second quarter of 2013, we impaired an investment in a clean coal power plant project and a related receivable balance.

Goodwill Impairment. We recorded a complete write down of our goodwill related to our Black Thunder mining complex during the second quarter of 2012 due to expectations of lower thermal coal demand and its impact on near-term sales volumes and pricing.

Selling, general and administrative expenses. Total selling, general and administrative expenses decreased slightly when compared with the second quarter of 2012, as increases in employee incentive costs of $2.3 million and legal costs of $0.7 million were offset by a decrease in severance costs of $1.4 million, and a decrease in other spending of $2.4 million.

Other operating income, net. When compared with the second quarter of 2012, other operating income, net increased for the second quarter of 2013, primarily the result of a decrease of $9.5 million, to $5.2 million in unrealized losses on our diesel purchase and fuel surcharge risk management programs, gains of $2.2 million recognized in the second quarter of 2013 on the sale of surplus equipment, and a decrease in land management costs of $1.9 million. These were partially offset by a decrease in commercial income of $5.2 million.

Net interest expense. The following table summarizes our net interest expense for the three months ended June 30, 2013 and compares it with the information for the three months ended June 30, 2012:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	(Increase) Decrease in Net Loss
	(In thousands)		
Interest expense	$ (94,756)	$ (78,728)	$ (16,028)
Interest and investment income	1,216	1,088	128
	$ (93,540)	$ (77,640)	$ (15,900)

The increase in interest expense is due to an increase in our average outstanding debt in the second quarter of 2013 when compared with the second quarter of 2012, primarily as a result of financing transactions completed during 2012.

Income taxes. Our effective income tax rate is sensitive to changes in and the relationship between annual profitability and the deduction for percentage depletion. The decrease in the income tax benefit is primarily the result of the decrease in our reported losses for the second quarter of 2013 when compared to the second quarter of 2012.

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Increase in Net Loss
	(In thousands)		
Benefit from income taxes	(49,468)	(251,119)	(201,651)

Income from discontinued operations, net of tax. As a result of the pending sale, the results of Canyon Fuel, net of the income tax impact, are segregated from from continuing operations. See Note 3, “Discontinued Operations”, to the condensed consolidated financial statements for further information.

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Decrease in Net Loss
	(In thousands)		
Income from discontinued operations, net of tax	8,145	7,032	1,113

Six Months Ended June 30, 2013 Compared to Six Months Ended June 30, 2012

Summary. Our results during the first half of 2013 when compared to the first half of 2012 were impacted by weaker market conditions.

Revenues. Our revenues consist of coal sales and revenues from our ADDCAR subsidiary.

The following table compares information about coal sales during the six months ended June 30, 2013 with the information for the six months ended June 30, 2012:

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Increase (Decrease)
	(In thousands)		
Coal sales	$ 1,498,090	$ 1,908,094	$ (410,004)
Tons sold	64,878	63,133	1,745

Coal sales decreased approximately 21% in the first half of 2013 from the first half of 2012, due to lower realized prices. Lower average realizations per ton sold, the result of the weak coal markets and a lower percentage of higher-priced thermal coal sales out of Appalachia, resulted in a decrease in revenues of approximately $212 million. The increase in sales volumes in our Powder River Basin segment (an increase of $69 million) was offset by the impact of lower volumes from the Appalachia and Western Bituminous segments that were the result of weak regional and international thermal coal markets (a decrease of $276 million).

Costs, expenses and other. The following table compares costs, expenses and other components of operating income for the six months ended June 30, 2013 with the information for the six months ended June 30, 2012:

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	(Increase) Decrease in Net Loss
	(Amounts in thousands, except percentages)		
Cost of sales (exclusive of items shown separately below)	$ 1,305,941	$ 1,605,817	$ 299,876
Depreciation, depletion and amortization	221,278	255,689	34,411
Amortization of acquired sales contracts, net	(5,019)	(18,468)	(13,449)
Change in fair value of coal derivatives and coal trading activities, net	(7,700)	(35,667)	(27,967)
Asset impairment and mine closure costs	20,482	525,583	505,101
Goodwill impairment	—	115,791	115,791

Selling, general and administrative expenses	67,511	66,039	$ (1,472)
Other operating income, net	(11,081)	(19,766)	$ (8,685)
Total costs, expenses and other	$ 1,591,412	$ 2,495,018	$ 903,606

Cost of sales. Our cost of sales decreased in the first half of 2013 from the first half of 2012 primarily due to lower average per-ton production costs ($248 million). In addition, transportation costs decreased $89 million in the first half of 2013 from the first half of 2012 due to a decrease in export shipments. Partially offsetting these cost decreases was the increase in sales volumes, which resulted in an increase of $38 million in cost of sales. These factors are discussed in detail in the "Operational performance" section.

Depreciation, depletion and amortization. When compared with the first half of 2012, depreciation, depletion and amortization costs decreased in the first half of 2013 due to the decreases in production for the respective periods, including the impact of mine closures in 2012.

Change in fair value of coal derivatives and coal trading activities, net. The gains reflected in 2013 and 2012 relate primarily to positions in the API-2 market, the derivatives market for coal delivered into Europe. We entered into these positions to manage price risk on physical export sales into Europe. As these positions are not accounted for as hedges, changes in the positions' fair value prior to settlement is recognized in the condensed consolidated statement of operations. When the positions settle, the realized gains and losses are reclassified to "other operating income, net". The decrease in the gains in the first half of 2013 from the first half of 2012 is the result of a decrease in positions outstanding and a decrease in the prices in the API-2 market.

Mine closure and asset impairment costs and goodwill impairment. See discussion in the results of the second quarter of 2013.

Selling, general and administrative expenses. Selling, general and administrative expenses in the first half of 2013 increased slightly when compared with the first half of 2012 primarily as a decrease in spending was offset by an increase in bonus plan adjustment costs, legal costs ($1.2 million), and costs related to the deferred compensation plan ($0.7 million), which is impacted investment performance and our stock price. Cost reductions were achieved primarily through a decrease in severance costs of $1.6 million and a decrease in industry group dues and fees of $2.8 million. In the first half of 2012, we reflected a reduction in bonus plan expense of $3.8 million relating to ICG employees (nearly all of which was offset by an increase in the accrual in cost of sales), which caused our expense to be lower in 2012.

Other operating income, net. When compared with the first half of 2012, the decrease in other operating income, net for the first half of 2013 was primarily the result of liquidated damages we incurred under throughput commitments of $10.2 million and a decrease in gains on asset sales from $9.7 million in 2012 to $2.7 million in 2013. These were partially offset by gains on settlements on coal derivatives of $15.8 million in the first half of 2013, an increase of $4.0 million from the first half of 2012, and a decrease of $9.6 million to $10.1 million in unrealized losses of relating to our diesel purchase and fuel surcharge risk management programs.

Net interest expense. The following table summarizes our net interest expense for the six months ended June 30, 2013 and compares it with the information for the six months ended June 30, 2012:

	Six Months Ended June 30, 2013	2012	(Increase) Decrease in Net Loss
	(In thousands)		
Interest expense	$ (189,830)	$ (153,500)	$ (36,330)
Interest and investment income	4,052	2,109	1,943
	$ (185,778)	$ (151,391)	$ (34,387)

The increase in interest expense is due to an increase in our outstanding debt in the first half of 2013 when compared with the first half of 2012, primarily as a result of financing transactions completed during 2012, which resulted in a net increase in debt outstanding of over $1 billion.

Income taxes. Our effective income tax rate is sensitive to changes in and the relationship between annual profitability and the deduction for percentage depletion. The decrease in the income tax benefit is primarily the result of the decrease in our reported losses for the first half of 2013 when compared to the first half of 2012.

	Six Months Ended June 30, 2013	2012	Increase in Net Loss
	(In thousands)		
Benefit from income taxes	(108,821)	(282,974)	(174,153)

Income from discontinued operations, net of tax. As a result of the pending sale, the results of Canyon Fuel, net of the income tax impact, are segregated from continuing operations. See Note 3, "Discontinued Operations", to the condensed consolidated financial statements for further information.

	Six Months Ended June 30, 2013	2012	Increase in Net Loss
	(In thousands)		
Income from discontinued operations, net of tax	22,412	22,540	(128)

Reconciliation of Segment Adjusted EBITDA to Net Income

The discussion in "Results of Operations" includes references to our Adjusted EBITDA. Adjusted EBITDA is defined as net income attributable to the Company before the effect of net interest expense, income taxes, depreciation, depletion and amortization and the amortization of acquired sales contracts. Adjusted EBITDA may also be adjusted for items that may not reflect the trend of future results. We believe that Adjusted EBITDA presents a useful measure of our ability to service and incur debt based on ongoing operations. Investors should be aware that our presentation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. The table below shows how we calculate Adjusted EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012
	(In thousands)			
Reported Segment Adjusted EBITDA	$ 140,369	$ 226,595	$ 265,161	$ 432,034
Corporate and other(1)	(29,820)	(45,674)	(70,982)	(71,286)
Adjusted EBITDA	110,549	180,921	194,179	360,748
Income tax benefit	49,468	251,119	108,821	282,974
Interest expense, net	(93,540)	(77,640)	(185,778)	(151,391)
Depreciation, depletion and amortization	(111,085)	(124,536)	(221,278)	(255,689)
Amortization of acquired sales contracts, net	2,209	4,451	5,019	18,468
Asset impairment and mine closure costs	(20,482)	(525,583)	(20,482)	(525,583)
Goodwill impairment	—	(115,791)	—	(115,791)
Other nonoperating expenses	—	(19,042)	—	(19,042)
Interest, depreciation, depletion and amortization classified as discontinued operations	(9,325)	(9,388)	(22,736)	(28,977)
Net loss attributable to Arch Coal	$ (72,206)	$ (435,489)	$ (142,255)	$ (434,283)

(1) Corporate and other Adjusted EBITDA includes primarily selling, general and administrative expenses, income from our equity investments and certain changes in the fair value of coal derivatives and coal trading activities.

Liquidity and Capital Resources

Our primary sources of cash are coal sales to customers, borrowings under our credit facilities and other financing arrangements, and debt and equity offerings related to significant transactions or refinancing activity. Excluding any significant mineral reserve acquisitions, we generally satisfy our working capital requirements and fund capital expenditures and debt-service obligations with cash generated from operations, cash on hand or borrowings under our lines of credit. Such plans are subject to change based on our cash needs. Availability under our sources of liquidity, including cash and short-term investments totaled $1.2 billion at June 30, 2013.

There were no borrowings under lines of credit during the three and six months ended June 30, 2013. Our average borrowing level under lines of credit was approximately $290.9 million for the three months ended June 30, 2012, and approximately $391.5 million for the six months ended June 30, 2012.

The following is a summary of cash provided by or used in each of the indicated types of activities during the six months ended June 30, 2013 and 2012:

	Six Months Ended June 30,	
	2013	2012
	(In thousands)	
Cash provided by (used in):		
Operating activities	$ 52,045	$ 95,308
Investing activities	(159,774)	(192,866)
Financing activities	(32,688)	471,936

Cash provided by operating activities decreased in the first half of 2013 compared to the first half of 2012, driven by the decrease in our profitability resulting from weak coal market conditions.

Cash used in investing activities decreased in the first half of 2013 compared to the first half of 2012. Capital expenditures decreased approximately $33.0 million during the six months ended June 30, 2013 when compared with the six months ended June 30, 2012 due to cash conservation efforts. We spent approximately $85 million during the six months ended June 30, 2013 on the development of the Leer mine and made a $60.0 million payment on the South Hilight lease. Proceeds from dispositions of property, plant and equipment decreased by $17.5 million, for the same periods, offset by proceeds of $34.9 million from the sale and leaseback of longwall shields at the Leer mine. In 2013, we purchased short term investments of $61.9 million and received proceeds from the sales of short term investments of $47.1 million.

Cash used in financing activities was approximately $32.7 million in the first half of 2013, compared to cash provided by financing activities of approximately $471.9 million in the first half of 2012. There were no borrowings under lines of credit during the six months ended June 30, 2013. In 2012, the proceeds from the $1.4 billion term loan in conjunction with the

refinancing of our revolving credit facility were used, in part, to retire the remaining outstanding senior secured notes due in 2013 and the outstanding borrowings under our lines of credit. The decrease in the dividend rate in the second quarter of 2012 from $0.11 to $0.03 reduced dividends paid from $29.7 million to $12.7 million during the first half of 2013 compared to the first half of 2012.

Ratio of Earnings to Fixed Charges

The following table sets forth our ratios of earnings to combined fixed charges and preference dividends for the periods indicated:

Six Months Ended June 30,	
2013	2012

Ratio of earnings to combined fixed charges and preference dividends(1)	N/A	N/A(2)

(1) Earnings (losses) consist of income (loss) from continuing operations before income taxes and are adjusted to include only distributed income from affiliates accounted for on the equity method and fixed charges (excluding capitalized interest). Fixed charges consist of interest incurred on indebtedness, the portion of operating lease rentals deemed representative of the interest factor and the amortization of debt expense.

(2) Total losses for the ratio calculation were $80 million and total fixed charges were $203 million for the six months ended June 30, 2013. Total losses for ratio calculation were $562 million and total fixed charges were $185 million for the six months ended June 30, 2012

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We manage our commodity price risk for our non-trading, thermal coal sales through the use of long-term coal supply agreements, and to a limited extent, through the use of derivative instruments. Sales commitments in the metallurgical coal market are typically not long-term in nature, and we are therefore subject to the fluctuations in the market pricing. We expect to sell a total of approximately 8 million tons of metallurgical coal in 2013.

Our commitments for 2013 and 2014 are as follows:

	2013		2014	
	Tons (in millions)	$ per ton	Tons (in millions)	$ per ton
Powder River Basin				
Committed, Priced	105.8	$ 12.91	71.3	$ 13.53
Committed, Unpriced	6.2		15.6	
Western Bituminous (includes Canyon Fuel)				
Committed, Priced	13.5	$ 36.91	8.3	$ 40.69
Committed, Unpriced	1.1		0.2	
Appalachia				
Committed, Priced Thermal	7.1	$ 62.75	2.7	$ 55.68
Committed, Unpriced Thermal	0.2		0.3	
Committed, Priced Metallurgical	6.6	$ 90.60	0.2	$ 78.89
Committed, Unpriced Metallurgical	0.4		0.7	
Illinois Basin				
Committed, Priced	2.1	$ 42.50	1.7	$ 42.33

We are also exposed to commodity price risk in our coal trading activities, which represents the potential future loss that could be caused by an adverse change in the market value of coal. Our coal trading portfolio included forward, swap and put and call option contracts at June 30, 2013. The estimated future realization of the value of the trading portfolio is $0.4 million of gains in the remainder of 2013 and $5.9 million of gains in 2014.

We monitor and manage market price risk for our trading activities with a variety of tools, including Value at Risk (VaR), position limits, management alerts for mark to market monitoring and loss limits, scenario analysis, sensitivity analysis and review of daily changes in market dynamics. Management believes that presenting high, low, end of year and average VaR is the best available method to give investors insight into the level of commodity risk of our trading positions. Illiquid positions, such as long-dated trades that are not quoted by brokers or exchanges, are not included in VaR.

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VaR is a statistical one-tail confidence interval and down side risk estimate that relies on recent history to estimate how the value of the portfolio of positions will change if markets behave in the same way as they have in the recent past. While presenting VaR will provide a similar framework for discussing risk across companies, VaR estimates from two independent sources are rarely calculated in the same way. Without a thorough understanding of how each VaR model was calculated, it would be difficult to compare two different VaR calculations from different sources. The level of confidence is 95%. The time across which these possible value changes are being estimated is through the end of the next business day. A closed-form delta-neutral method used throughout the finance and energy sectors is employed to calculate this VaR. VaR is back tested to verify usefulness.

On average, portfolio value should not fall more than VaR on 95 out of 100 business days. Conversely, portfolio value declines of more than VaR should be expected, on average, 5 out of 100 business days. When more value than VaR is lost due to market price changes, VaR is not representative of how much value beyond VaR will be lost.

During the six months ended June 30, 2013, VaR for our coal trading positions that are recorded at fair value through earnings ranged from $33.0 thousand to $0.7 million. The linear mean of each daily VaR was $0.3 million. The final VaR at June 30, 2013 was $0.1 million.

We are exposed to fluctuations in the fair value of coal derivatives that we enter into to manage the price risk related to future coal sales, but for which we do not elect hedge accounting. Any gains or losses on these derivative instruments would be offset in the pricing of the physical coal sale. During the six months ended June 30, 2013 VaR for our risk management positions that are recorded at fair value through earnings ranged from $0.6 million to $1.9 million. The linear mean of each daily VaR was $1.2 million. The final VaR at June 30, 2013 was $1.1 million.

We are also exposed to the risk of fluctuations in cash flows related to our purchase of diesel fuel. We expect to use approximately 57 to 67 million gallons of diesel fuel for use in our operations during 2013. We enter into forward physical purchase contracts, as well as purchased heating oil options, to reduce volatility in the price of diesel fuel for our operations. At June 30, 2013, we had protected the price of approximately 94% of our expected purchases for the remainder of 2013 and 73% of our 2014 purchases. At June 30, 2013, we had purchased heating oil call options for approximately 74 million gallons for the purpose of managing the price risk associated with future diesel purchases. We also purchase heating oil call options manage the price risk associated with fuel surcharges on barge and rail shipments, which cover increases in diesel fuel prices. At June 30, 2013, we held purchased call options for approximately 4 million gallons for the purpose of managing the fluctuations in cash flows associated with fuel surcharges on future shipments. These positions reduce our risk of cash flow fluctuations related to these surcharges but the positions are not accounted for as hedges. A $0.25 per gallon decrease in the price of heating oil would not result in an increase in our expense related to the heating oil derivatives.

We are exposed to market risk associated with interest rates due to our existing level of indebtedness. At June 30, 2013, of our $5.1 billion principal amount of debt outstanding, approximately $1.6 billion of outstanding borrowings have interest rates that fluctuate based on changes in the market rates. An increase in the interest rates related to these borrowings of 25 basis points would not result in an annualized increase in interest expense based on interest rates in effect at June 30, 2013, because our term loan has a minimum interest rate that exceeds the current market rates.

Item 4. Controls and Procedures.

We performed an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2013. Based on that evaluation, our management, including our chief executive officer and chief financial officer, concluded that the disclosure controls and procedures were effective as of such date. There were no changes in our internal control over financial reporting during the three months ended June 30, 2013 to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

In addition to the following matters, we are involved in various claims and legal actions arising in the ordinary course of business, including employee injury claims. After conferring with counsel, it is the opinion of management that the ultimate resolution of these claims, to the extent not previously provided for, will not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

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Permit Litigation Matters

Surface mines at our Mingo Logan and Coal-Mac mining operations were identified in an existing lawsuit brought by the Ohio Valley Environmental Coalition (OVEC) in the U.S. District Court for the Southern District of West Virginia as having been granted Clean Water Act § 404 permits by the Army Corps of Engineers (“Corps”), allegedly in violation of the Clean Water Act and the National Environmental Policy Act. The lawsuit, brought by OVEC in September 2005, originally was filed against the Corps for permits it had issued to four subsidiaries of a company unrelated to us or our operating subsidiaries. The suit claimed that the Corps had issued permits to the subsidiaries of the unrelated company that did not comply with the National Environmental Policy Act and violated the Clean Water Act.

The court ruled on the claims associated with those four permits in orders of March 23 and June 13, 2007. In the first of those orders, the court rescinded the four permits, finding that the Corps had inadequately assessed the likely impact of valley fills on headwater streams and had relied on inadequate or unproven mitigation to offset those impacts. In the second order, the court entered a declaratory judgment that discharges of sediment from the valley fills into sediment control ponds constructed in-stream to control that sediment must themselves be permitted under a different provision of the Clean Water Act, § 402, and meet the effluent limits imposed on discharges from these ponds. Both of the district court rulings were appealed to the U.S. Court of Appeals for the Fourth Circuit.

Before the court entered its first order, the plaintiffs were permitted to amend their complaint to challenge the Coal-Mac and Mingo Logan permits. Plaintiffs sought preliminary injunctions against both operations, but later reached agreements with our operating subsidiaries that have allowed mining to progress in limited areas while the district court’s rulings were on appeal. The claims against Coal-Mac were thereafter dismissed.

In February 2009, the Fourth Circuit reversed the District Court. The Fourth Circuit held that the Corps’ jurisdiction under Section 404 of the Clean Water Act is limited to the narrow issue of the filling of jurisdictional waters. The court also held that the Corps’ findings of no significant impact under the National Environmental Policy Act and no significant degradation under the Clean Water Act are entitled to deference. Such findings entitle the Corps to avoid preparing an environmental impact statement, the absence of which was one issue on appeal. These holdings also validated the type of mitigation projects proposed by our operations to minimize impacts and comply with the relevant statutes. Finally, the Fourth Circuit found that stream segments, together with the sediment ponds to which they connect, are unitary “waste treatment systems,” not “waters of the United States,” and that the Corps had not exceeded its authority in permitting them.

OVEC sought rehearing before the entire appellate court, which was denied in May 2009, and the decision was given legal effect in June 2009. An appeal to the U.S. Supreme Court was then filed in August 2009. On August 3, 2010 OVEC withdrew its appeal.

Mingo Logan filed a motion for summary judgment with the district court in July 2009, asking that judgment be entered in its favor because no outstanding legal issues remained for decision as a result of the Fourth Circuit’s February 2009 decision. By a series of motions, the United States obtained extensions and stays of the obligation to respond to the motion in the wake of its letters to the Corps dated September 3 and October 16, 2009 (discussed below). By order dated April 22, 2010, the District Court stayed the case as to Mingo Logan for the shorter of either six months or the completion of the U.S. Environmental Protection Agency’s (the “EPA”) proposed action to deny Mingo Logan the right to use its Corps’ permit (as discussed below).

On October 15, 2010, the United States moved to extend the existing stay for an additional 120 days (until February 22, 2011) while the EPA Administrator reviewed the “Recommended Determination” issued by the EPA Region 3. By Memorandum Opinion and Order dated November 2, 2010, the court granted the United States’ motion. On January 13, 2011, the EPA issued its “Final Determination” to withdraw the specification of two of the three watersheds as a disposal site for dredged or fill material approved under the current Section 404 permit. The court was notified of the Final Determination and by order dated March 21, 2011 stayed further proceedings in the case until further order of the court, in light of the challenge to the EPA’s “Final Determination” then pending in federal court in Washington, DC. In a Memorandum and Opinion and separate Order, each dated March 23, 2012, the federal court granted Mingo Logan’s motion for summary judgment, vacated EPA’s Final Determination and found valid and in full force Mingo Logan’s Section 404 permit. As described more fully below, EPA appealed that order to the United States Court of Appeals for the DC circuit and by Opinion of the Court dated April 23, 2013, the court reversed the lower court’s order and remanded the matter to the district court for further proceedings.

On April 5, 2012, Mingo Logan moved to lift the stay referenced above.On June 5, 2012, the Court entered an order lifting the stay and allowing the case to proceed on Mingo Logan's Motion for Summary Judgment. Shortly thereafter, OVEC filed a motion for leave to file a seventh amended and supplemental complaint seeking to update existing counts and raising two new claims (one, to enforce EPA's "Final Determination" and, the other, that the Corps' refusal to prepare a Supplemental Environmental Impact Statement violates the APA and NEPA). By Memorandum, Opinion and Order dated July 25, 2012, the Court granted OVEC's motion and directed the Clerk to file OVEC's Seventh Amended and Supplemental Complaint. Mingo Logan filed its Motion for Summary Judgment on August 31, 2012, along with its Answer to the Seventh Amended and Supplemental Complaint and the matter remains pending before the Court.

EPA Actions Related to Water Discharges from the Spruce Permit

By letter of September 3, 2009, the EPA asked the Corps of Engineers to suspend, revoke or modify the existing permit it issued in January 2007 to Mingo Logan under Section 404 of the Clean Water Act, claiming that "new information and circumstances have arisen which justify reconsideration of the permit." By letter of September 30, 2009, the Corps of Engineers advised the EPA that it would not reconsider its decision to issue the permit. By letter of October 16, 2009, the EPA advised the Corps that it has "reason to believe" that the Mingo Logan mine will have "unacceptable adverse impacts to fish and wildlife resources" and that it intends to issue a public notice of a proposed determination to restrict or prohibit discharges of fill material that already are approved by the Corps' permit. By federal register publication dated April 2, 2010, the EPA issued its "Proposed Determination to Prohibit, Restrict or Deny the Specification, or the Use for Specification of an Area as a Disposal Site: Spruce No. 1 Surface Mine, Logan County, WV" pursuant to Section 404(c) of the Clean Water Act, the EPA accepted written comments on its proposed action (sometimes known as a "veto proceeding"), through June 4, 2010 and conducted a public hearing, as well, on May 18, 2010. We submitted comments on the action during this period. On September 24, 2010, the EPA Region 3 issued a "Recommended Determination" to the EPA Administrator recommending that the EPA prohibit the placement of fill material in two of the three watersheds for which filling is approved under the current Section 404 permit. Mingo Logan, along with the Corps, West Virginia DEP and the mineral owner, engaged in a consultation with the EPA as required by the regulations, to discuss "corrective action" to address the "unacceptable adverse effects" identified. On January 13, 2011, the EPA issued its "Final Determination" pursuant to Section 404(c) of the Clean Water Act to withdraw the specification of two of the three watersheds approved in the current Section 404 permit as a disposal site for dredged or fill material. By separate action, Mingo Logan sued the EPA on April 2, 2010 in federal court in Washington, D.C. seeking a ruling that the EPA has no authority under the Clean Water Act to veto a previously issued permit (Mingo Logan Coal Company, Inc. v. USEPA, No. 1:10-cv-00541(D.D.C.)). The EPA moved to dismiss that action, and we responded to that motion.

Pursuant to a scheduling order for summary disposition of the case, motions and cross-motions for summary judgment by both parties were filed. On November 30, 2011, the court heard arguments from the parties limited only to the threshold issue of whether the EPA had the authority under Section 404(c) of the Clean Water Act to withdraw the specification of the disposal site after the Corps had already issued a permit under Section 404(a). The court deferred consideration of the remaining issue (i.e. whether the EPA's "Final Determination" is otherwise lawful) until after consideration of the threshold issue. On March 23, 2012, the court entered an Order and a Memorandum Opinion granting Mingo Logan's motion for summary judgment, denying the EPA's cross-motion for summary judgment, vacating the Final Determination and ordering that Mingo Logan's Section 404 permit remains valid and in full force.

On May 11, 2012, EPA filed a notice of appeal to the United States Court of Appeals for the District of Columbia Circuit. The court heard oral arguments on March 14, 2013. By opinion of the court filed on April 23, 2013, the court reversed the district court on the threshold issue and remanded the matter to the district court to address the merits of our APA challenge to the Final Determination. On June 6, 2013, Mingo Logan filed a Petition for Rehearing En Banc and by Order filed July 25, 2013, the court denied the petition. Mingo Logan intends to seek further review of this case and will file a petition for writ of certiorari in the Supreme Court of the United States.

Allegheny Energy Contract Matter

Allegheny Energy Supply ("Allegheny"), the sole customer of coal produced at our subsidiary Wolf Run Mining Company's ("Wolf Run") Sycamore No. 2 mine, filed a lawsuit against Wolf Run, Hunter Ridge Holdings, Inc. ("Hunter Ridge"), and ICG in state court in Allegheny County, Pennsylvania on December 28, 2006, and amended its complaint on April 23, 2007. Allegheny claimed that Wolf Run breached a coal supply contract when it declared force majeure under the contract upon idling the Sycamore No. 2 mine in the third quarter of 2006, and that Wolf Run continued to breach the contract by failing to ship in volumes referenced in the contract. The Sycamore No. 2 mine was idled after encountering adverse geologic conditions and abandoned gas wells that were previously unidentified and unmapped.

After extensive searching for gas wells and rehabilitation of the mine, it was re-opened in 2007, but with notice to Allegheny that it would necessarily operate at reduced volumes in order to safely and effectively avoid the many gas wells within the reserve. The amended complaint also alleged that the production stoppages constitute a breach of the guarantee agreement by Hunter Ridge and breach of certain representations made upon entering into the contract in early 2005. Allegheny voluntarily dropped the breach of representation claims later. Allegheny claimed that it would incur costs in excess of $100 million to purchase replacement coal over the life of the contract. ICG, Wolf Run and Hunter Ridge answered the amended complaint on August 13, 2007, disputing all of the remaining claims.

On November 3, 2008, ICG, Wolf Run and Hunter Ridge filed an amended answer and counterclaim against the plaintiffs seeking to void the coal supply agreement due to, among other things, fraudulent inducement and conspiracy. On September 23, 2009, Allegheny filed a second amended complaint alleging several alternative theories of liability in its effort to extend contractual liability to ICG, which was not a party to the original contract and did not exist at the time Wolf Run and Allegheny entered into the contract. No new substantive claims were asserted. ICG answered the second amended complaint on October 13, 2009, denying all of the new claims. The Company's counterclaim was dismissed on motion for summary judgment entered on May 11, 2010. Allegheny's claims against ICG were also dismissed by summary judgment, but the claims against Wolf Run and Hunter Ridge were not. The court conducted a non-jury trial of this matter beginning on January 10, 2011 and concluding on February 1, 2011.

At the trial, Allegheny presented its evidence for breach of contract and claimed that it is entitled to past and future damages in the aggregate of between $228 million and $377 million. Wolf Run and Hunter Ridge presented their defense of the claims, including evidence with respect to the existence of force majeure conditions and excuse under the contract and applicable law. Wolf Run and Hunter Ridge presented evidence that Allegheny's damages calculations were significantly inflated because it did not seek to determine damages as of the time of the breach and in some instances artificially assumed future nondelivery or did not take into account the apparent requirement to supply coal in the future. On May 2, 2011, the trial court entered a Memorandum and Verdict determining that Wolf Run had breached the coal supply contract and that the performance shortfall was not excused by force majeure. The trial court awarded total damages and interest in the amount of $104.1 million, which consisted of $13.8 million for past damages, and $90.3 million for future damages. ICG and Allegheny filed post-verdict motions in the trial court and on August 23, 2011, the court denied the parties' motions. The court entered a final judgment on August 25, 2011, in the amount of $104.1 million, which included pre-judgment interest.

The parties appealed the lower court's decision to the Superior Court of Pennsylvania. On August 13, 2012, the Superior Court of Pennsylvania affirmed the award of past damages, but ruled that the lower court should have calculated future damages as of the date of breach, and remanded the matter back to the lower court with instructions to recalculate that portion of the award. On November 19, 2012, Allegheny filed a Petition for Allowance of Appeal with the Supreme Court of Pennsylvania and Wolf Run and Hunter Ridge filed an Answer. On July 2, 2013, the Supreme Court of Pennsylvania denied the Petition of Allowance. As this action finalized the past damage award, Wolf Run paid $15.6 million for the past damage amount, including interest, to Allegheny in July 2013. The future damage award is now back before the lower court, but no hearing dates have been set at this time.

ICG Hazard

The Sierra Club, on December 3, 2010, filed a Notice of Intent ("NOI") to sue ICG Hazard, LLC ("Hazard"), alleging violations of the Clean Water Act and the Surface Mining Control and Reclamation Act of 1977 at Hazard's Thunder Ridge surface mine. The NOI, which was supplemented by a revised filing on February 24, 2011, claims that Hazard is discharging selenium and contributing to conductivity levels in the receiving streams in violation of state and federal regulations. On May 24, 2011, the Sierra Club sued Hazard in U.S. District Court for the Eastern District of Kentucky under the Citizens Suit provisions of the Clean Water Act and the Surface Mining Control and Reclamation Act seeking civil penalties, injunctive relief and attorneys' fees. On February 17, 2012, ICG Hazard filed a motion for summary judgment. Also on February 17, 2012, the Sierra Club filed a competing motion for summary judgment.

On September 28, 2012, the court entered a Memorandum Opinion and Order granting Hazard summary judgment on both Clean Water Act ("CWA") and Surface Mining Control and Reclamation Act ("SMCRA") claims finding that the CWA permit "shield" applies and that the SMCRA cannot be used to circumvent the CWA permit shield with respect to "point source" discharges. The court denied summary judgment to the extent the facts showed there were "non-point source" discharges from areas disturbed by surface mining activities. On October 4, 2012, the Sierra Club filed a Motion to Clarify Claims and Request Final Judgment Order notifying the court that all of its claims in the matter involved discharges from discrete "point sources" and that there remain no issues of law or fact that require court resolution. The court entered a final judgment on January 11, 2013. On January 22, 2013, the Sierra Club filed a notice of appeal to the United States Court of Appeals for the Sixth Circuit. The matter has been fully briefed and the parties are awaiting further instructions from the court related to oral argument and disposition.

Patriot Coal Corporation Bankruptcy

On December 31, 2005, we entered into a purchase and sale agreement with Magnum Coal Company ("Magnum") to sell certain assets to Magnum. On July 23, 2008, Patriot Coal Corporation acquired Magnum. On July 9, 2012, Patriot Coal Corporation and certain of its wholly owned subsidiaries, including Magnum (collectively, "Patriot"), filed voluntary petitions for reorganization under Chapter 11 of the U.S. Code in the U.S. Bankruptcy Court for the Southern District of New York.

On September 20, 2012, Patriot filed a motion with the U.S. Bankruptcy Court for the Southern District of New York to reject a master coal sales agreement entered into on December 31, 2005 between us and Magnum, which was established in order to meet obligations under a coal sales agreement with a customer who did not consent to the assignment of their contract to Magnum. On December 18, 2012, the court accepted Patriot's motion to reject the master coal sales agreement. As a result of the court's decision, Arch accrued $58.3 million, representing the discounted value of the remaining monthly buyout amounts under the underlying coal sales agreement.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In September 2006, our board of directors authorized a share repurchase program for the purchase of up to 14,000,000 shares of our common stock. There is no expiration date on the current authorization, and we have not made any decisions to suspend or cancel purchases under the program. As of June 30, 2013, there were 10,925,800 shares of our common stock available for purchase under this program. We did not purchase any shares of our common stock under this program during the quarter ended June 30, 2013. Based on the closing price of our common stock as reported on the New York Stock Exchange on July 31, 2013, the approximate dollar value of our common stock that may yet be purchased under this program was $43 million.

Item 4. Mine Safety Disclosures.

The statement concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Quarterly Report on Form 10-Q for the period ended June 30, 2013.

Item 6. Exhibits.

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q:

3.1	Certificate of Formation of Arch Flint Ridge, LLC
3.2	Limited Liability Company Agreement of Arch Flint Ridge, LLC
4.1	Ninth Supplemental Indenture, dated as of July 26, 2013, by and among Arch Coal, Inc., the subsidiary guarantors named therein and U.S. Bank National Association, as trustee
4.2	Seventh Supplemental Indenture, dated as of July 26, 2013, by and among Arch Coal, Inc., the subsidiary guarantors named therein and U.S. Bank National Association, as trustee
4.3	Fifth Supplemental Indenture, dated as of July 26, 2013, by and among Arch Coal, Inc., the subsidiary guarantors named therein and UMB Bank National Association, as trustee
4.4	First Supplemental Indenture, dated as of July 26, 2013, by and among Arch Coal, Inc., the subsidiary guarantors named therein and UMB Bank National Association, as trustee
12.1	Computation of ratio of earnings to combined fixed charges and preference dividends.
31.1	Rule 13a-14(a)/15d-14(a) Certification of John W. Eaves.
31.2	Rule 13a-14(a)/15d-14(a) Certification of John T. Drexler.
32.1	Section 1350 Certification of John W. Eaves.
32.2	Section 1350 Certification of John T. Drexler.
95	Mine Safety Disclosure Exhibit
101	Interactive Data File (Form 10-Q for the period ended June 30, 2013 filed in XBRL). The financial information contained in the XBRL-related documents is “unaudited” and “unreviewed.”

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Arch Coal, Inc.

By: /s/ John T. Drexler
John T. Drexler
Senior Vice President and Chief Financial Officer
(On behalf of the registrant and as Principal
Financial Officer)

August 8, 2013

Exhibit 3.1

CERTIFICATE OF FORMATION

OF

ARCH FLINT RIDGE, LLC

This Certificate of Formation of Arch Flint Ridge, LLC (the "Company") is being duly executed and filed by the undersigned authorized person to form a limited liability company under the Delaware Limited Liability Company Act (6 Del.C. 18-101, et seq.), as amended.

FIRST. The name of the limited liability company formed hereby is Arch Flint Ridge, LLC.

SECOND. The address of the registered office of the Company in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

THIRD. The name and address of the registered agent for service of process on the Company in the State of Delaware are The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned authorized person has executed this Certificate of Formation of Arch Flint Ridge, LLC this 18th day of July, 2013.

ICG HAZARD, LLC

By: /s/ Jon S. Ploetz
Name: Jon S. Ploetz
Title: Secretary

Being the Sole Member and Organizer

Exhibit 3.2

LIMITED LIABILITY COMPANY AGREEMENT

OF

ARCH FLINT RIDGE, LLC

Dated as of July 18, 2013

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Limited Liability Company Agreement
of
ARCH FLINT RIDGE, LLC

This Limited Liability Company Agreement (this "Agreement") of Arch Flint Ridge, LLC (the "Company") is made and entered into as of this 18th day of July, 2013 (the "Effective Date") by the person executing this Agreement as a member on the signature page hereof (such person and any substitute or additional member, a "Member").

Recitals

A. The Member has caused Arch Flint Ridge, LLC (the "Company") to be formed on July 18, 2013, as a limited liability company under the Delaware Limited Liability Company Act (the "Act") and, does hereby adopt this Agreement as the limited liability company agreement of the Company.

B. By executing this Agreement, the Member hereby (i) ratifies the formation of the Company and the filing of the Certificate of Formation (the "Certificate") with the Secretary of State of Delaware, (ii) confirms and agrees to the Member's status as a member of the Company and (iii) continues the existence of the Company for the purposes hereinafter set forth, subject to the terms and conditions hereof.

Agreements

NOW, THEREFORE, in consideration of the foregoing premises and the agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member agree as follows:

Article I
Formation and Offices

1.01 Limited Liability Company Agreement. The Member agrees that this Agreement (a) constitutes the "limited liability company agreement" of the Company within the meaning of Section 18-101(7) of the Act, (b) will be effective as of the Effective Date, and (c) will govern the rights, duties and obligations of the Member, except as otherwise expressly required by the Act.

1.02 Formation. Pursuant to the Act, the Member has caused the Company to be formed as a Delaware limited liability company effective upon the filing of the Certificate with the Secretary of State of Delaware.

1.03 Principal Office. The principal office of the Company shall be located at CityPlace One, One CityPlace Drive, Suite 300, St. Louis, Missouri, or at such other place as the Member may determine from time to time.

1.04 Registered Office and Registered Agent. The location of the registered office and the name of the registered agent of the Company in the State of Delaware shall be as stated in the Certificate, as determined from time to time by the Member.

1.05 Purpose. The Company may engage in any lawful act or activity for which a limited liability company may be formed under the Act and in any and all activities necessary, incidental or convenient to the foregoing.

1.06 Date of Dissolution. The duration of the Company shall be perpetual.

Article II
Capitalization of the Company

2.01 Capital Contribution. The name, address and capital contributions of the Member shall be reflected in this books and records of the Company.

2.02 Additional Capital Contributions. The Member shall not be required to make any additional capital contributions to the Company. The Member may make additional capital contributions to the Company at such times and in such amounts as it deems appropriate.

2.03 Membership Interest. The membership interests in the Company shall consist of 100 membership units (the "Units"). As of the Effective Date, the outstanding right, title and interest in and to the equity of the Company shall be automatically converted into the Units, and the sole outstanding equity interest in the Company shall be the Units. Schedule A to this Agreement, as may be amended from time to time, shall set forth the name of the Member and the number of Units held by such Member.

2.04 Certificates for Units.

(a) The Units of the Company will be certificated. Each Unit shall be signed by, or in the name of the Company by, any Manager or the President or any Vice President, Secretary or Assistant Secretary of the Company, certifying the number of Units owned by such person. In case any officer who has signed a certificate shall have ceased to be an officer of the Company before such certificate is issued, it may be issued by the Company with the same effect as if her or she were such officer at the date of issue.

(b) The Board of Managers may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed.

(c) The following legend (in addition to any other legends required by applicable law or otherwise) shall be included on each certificate representing Units:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS A REGISTRATION STATEMENT UNDER ALL APPLICABLE SECURITIES LAWS IS THEN IN EFFECT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH LAWS IS APPLICABLE.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THAT CERTAIN LIMITED LIABILITY COMPANY AGREEMENT, DATED AS OF JULY 18, 2013, AMONG THE

BENEFICIAL OWNER HEREOF AND SUCH OTHER PARTIES THAT MAY BE SIGNATURIES TO SUCH AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY.

Article III
Cash Distributions; Profits and Losses for Tax Purposes

3.01 Cash Distributions Prior to Dissolution. The Board of Managers shall have the right to determine the amount, if any, that should be distributed to the Member each year; provided, however, that no distribution shall be permitted to the extent prohibited by the Act. No distribution shall be determined a return or withdrawal of a capital contribution unless so designated by the Member or Board of Managers.

3.02 Allocation of Profits and Losses for Tax Purposes. The Company shall maintain a separate capital account for the Member in accordance with the rules applicable to partnerships in Treasury Regulation 1.704 1(b)(2)(iv) or any successor Treasury Regulations which by their terms would be applicable to the Company. All profits and losses of the Company shall be allocated to the Member.

Article IV
Member

4.01 Actions of the Member. Any action required or permitted to be taken by the Member may be taken without a meeting if a consent in writing setting forth the action so taken is signed by or on behalf of the Member. The Member shall elect the members of the Board of Managers annually or with such other frequency as the Member may determine appropriate from time to time.

4.02 Powers of the Member. The Member, acting solely in its capacity as a Member, shall have no authority to act as an agent of the Company or have any authority to act for or to bind the Company.

4.03 Other Business Ventures. The Member and any manager may engage in or possess an interest in any other business venture of any nature or description, independently or with others, whether or not similar to or in competition with the business of the Company. No manager shall be required to devote all such manager’s time or business efforts to the affairs of the Company, but shall devote so much of such manager’s time and attention to the Company as is reasonably necessary and advisable to manage the affairs of the Company to the best advantage of the Company.

Article V
Board of Managers; Officers

5.01 Powers of the Board of Managers. Except as otherwise provided hereunder, the business and affairs of the Company shall be managed by the Board of Managers. Any decision or act of the Board of Managers within the scope of its power and authority granted hereunder shall control and shall bind the Company.

5.02 Limitation on Powers of the Board of Managers. Without the approval of the Member, the Board of Managers shall not have the authority to:

(a) terminate, dissolve or wind-up the Company;

(b) (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Company or of all or a substantial part of the assets of the Company, (ii) admit in writing the Company’s inability to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against the Company under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Company in any bankruptcy, reorganization or insolvency proceeding;

(c) amend the Certificate of Formation;

(d) issue a membership interest to any person and admit any person as an additional Member;

(e) approve a merger or consolidation of the Company with or into another person or the acquisition by the Company of another business (either by asset, stock or interest purchase) or any equity of another entity;

(f) authorize any transaction, agreement or action on behalf of the Company that is unrelated to its purpose as set forth in this Agreement, that otherwise contravenes this Agreement or that is not within the usual course of the business of the Company; or

(g) redeem any membership interest or recapitalize the Company.

5.03 Duties of the Board of Managers. In addition to the rights and duties of the Board of Managers set forth elsewhere in this Agreement and subject to the other provisions of this Agreement, the Board of Managers shall be responsible for and are hereby authorized to:

(a) control the day to day operations of the Company;

(b) hire or appoint employees, agents, independent contractors or officers of the Company;

(c) carry out and effect all directions of the Member;

(d) select and engage the Company's accountants, attorneys, engineers and other professional advisors;

(e) apply for and obtain appropriate insurance coverage for the Company;

(f) temporarily invest funds of the Company in short term investments where there is appropriate safety of principal;

(g) acquire in the name of the Company by purchase, lease or otherwise, any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(h) engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of the Company, so long as said activities and contracts may be lawfully carried on or performed by a limited liability company under the Act and are in the ordinary course of the Company's business; and

(i) negotiate, execute and perform all agreements, contracts, leases, loan documents and other instruments and exercise all rights and remedies of the Company in connection with the foregoing.

5.04 Number, Appointment, Tenure and Election of the Managers. The initial managers of the Company shall be selected by the Member. The Board of Managers may, from time to time, increase or decrease the number of managers, but in no instance shall the number of Managers be less than one.

5.05 Removal, Resignation and Election of a Manager. Any manager may be removed from such position at any time, with or without cause, by the Member. A manager may resign from such position at any time upon prior notice to the Member. Any vacancy created in a manager position by the removal or resignation of a manager or otherwise shall be filled by a new manager selected by the Member.

5.06 Meetings of the Board of Managers.

(a) Meetings of the Board of Managers shall be held at such time and at such places as they shall determine. No meeting of the Board of Managers shall be held without a quorum being present, which shall consist of a majority of the managers. Managers may participate in a meeting of the Board of Managers by means of conference telephone or other similar communication equipment whereby all managers participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person at the meeting. Action of the Board of Managers shall require the favorable vote of a majority of all managers.

(b) Any action required or permitted by this Agreement to be taken at any meeting of the Board of Managers may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by all of the Managers.

5.07 Officers.

(a) The Board of Managers may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the business of the Company may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board of Managers may determine.

(b) The President shall have general and active management power and authority with respect to the day to day affairs of the Company and shall perform such duties and undertake such responsibilities as the Board of Managers shall designate. The President shall see that all orders and resolutions of the Board of Managers are carried into effect.

(c) A Vice President shall perform such duties and have such responsibilities as may be prescribed by the Board of Managers and/or the President.

(d) The Secretary shall keep or cause to be kept a record of the affairs of the Company, including all orders and resolutions of the Member and the Board of Managers and record minutes of all such items in a book to be kept for that purpose. The Secretary shall also perform such other duties as may be prescribed by the Board of Managers and/or the President.

(e) The Treasurer shall have responsibility for the safekeeping of the funds and securities of the Company, shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Company and shall keep or cause to be kept all other books of account and accounting records of the Company. The Treasurer shall have the general duties, powers and responsibility of a treasurer of a corporation. The Treasurer shall also perform such other duties and shall have such other responsibility and authority as may be prescribed by the Board of Managers and/or the President.

(f) Each officer of the Company shall hold such office at the pleasure of the Board of Managers or for such other period as the Board of Managers may specify at the time of election or appointment, or until such officer's death, resignation or removal by the Board of Managers.

Article VI
Liability and Indemnification

6.01 Liability of the Member and the Managers. The Member shall only be liable to make the payment of the Member's initial capital contribution. Neither the Member nor any manager shall be liable for any obligations of the Company. Except as otherwise specifically provided in the Act, the Member shall not be obligated to pay any distribution to or for the account of the Company or any creditor of the Company.

6.02 Indemnification.

(a) The Member, the managers, any officers of the Company appointed by the Board of Managers, and their affiliates, and their respective stockholders, members, managers, directors, officers, partners, agents and employees (individually and collectively, an "Indemnitee") shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (each a "Claim"), in which the Indemnitee may be involved, or threatened to be involved, as a party or otherwise by reason of such Indemnitee's status as any of the foregoing, which relates to or arises out of the Company, its assets, business or affairs, if in each of the foregoing cases, the Indemnitee acted in good faith and in a manner such Indemnitee believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe

such Indemnitee's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Article VI shall be made only out of the assets of the Company, and neither the Member nor any manager shall have any personal liability on account thereof.

(b) In the event that an amendment to this Agreement reduces or eliminates any Indemnitee's right to indemnification pursuant to this Article VI, such amendment shall not be effective with respect to any Indemnitee's right to indemnification that accrued prior to the date of such amendment. For purposes of this Section 6.02(b), a right to indemnification shall accrue as of the date of the event underlying the Claim that gives rise to such right to indemnification.

(c) All calculations of Claims and the amount of indemnification to which any Indemnitee is entitled under this Article VI shall be made (i) giving effect to the tax consequences of any such Claim and (ii) after deduction of all proceeds of insurance net of retroactive premiums and self-insurance retention recoverable by the Indemnitee with respect to such Claims.

6.03 Expenses. Expenses (including reasonable legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding described in Section 6.02 may, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding, in the discretion of the Board of Managers, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Article VI.

6.04 Non-Exclusivity. The indemnification and advancement of expenses set forth in this Article VI shall not be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, the Act, the Certificate, this Agreement, any other agreement, a vote of the Member, a policy of insurance or otherwise, and shall not limit in any way any right which the Company may have to make additional indemnifications with respect to the same or different persons or classes of persons, as determined by the Board of Managers. The indemnification and advancement of expenses set forth in this Article VI shall continue as to an Indemnitee who has ceased to be a named Indemnitee and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such a person.

6.05 Insurance. The Company may purchase and maintain insurance on behalf of the Indemnitees against any liability asserted against them and incurred by them in such capacity, or arising out of their status as Indemnitees, whether or not the Company would have the power to indemnify them against such liability under this Article VI.

6.06 Duties. An authorized officer or manager shall discharge his or her duties hereunder in good faith, with the care a corporate officer of like position would exercise under similar circumstances, in the manner he or she reasonably believes to be in the best interest of the Company, and shall not be liable for any such action so taken or any failure to take such action, if he or she performs such duties in compliance herewith.

Article VII
Transferability; Assignment

7.01 Transferability; Assignment. The Member shall have the right to sell, pledge, hypothecate or otherwise transfer all or any part of such Member's membership interest in the Company at any time.

7.02 Pledge of Units. The Member hereby consents, both on behalf of itself and the Company, to the pledge by the Member of the Units to PNC Bank, National Association, as Collateral Agent (the "Collateral Agent"), and agrees that any such pledge may be foreclosed and sold at a foreclosure sale, or the pledged interest transferred to the Collateral Agent or its designee in lieu of foreclosure, and/or the rights of the Collateral Agent under such pledge exercised, and the Collateral Agent or its designee shall thereupon be entitled to all rights as a Member without the need for any consents, approvals or other action by the Company or the Member, and without the necessity of the Collateral Agent becoming a substitute member.

Article VIII
Dissolution and Termination

8.01 Events Causing Dissolution. The Company shall be dissolved upon the first to occur of the following events:

(a) The vote of the Member to dissolve;

(b) The sale or other disposition of substantially all of the assets of the Company and the receipt and distribution of all the proceeds therefrom; or

(c) Except as otherwise agreed upon in this Agreement, any other event causing a dissolution of the Company under the provisions of the Act.

8.02 Notices to Secretary of State. As soon as possible following the occurrence of the events specified in Section 8.01, the Company shall file a Certificate of Cancellation with the Secretary of State of Delaware which cancels the Certificate.

8.03 Cash Distributions Upon Dissolution. Upon the dissolution of the Company as a result of the occurrence of any of the events set forth in Section 8.01, the Board of Managers shall proceed to wind up the affairs of and liquidate the Company and the liquidation proceeds, if any, shall be applied and distributed in the following order of priority:

(a) First, to the payment of debts and liabilities of the Company in the order of priority as provided by law (including any loans or advances that may have been made by the Member to the Company) and the expenses of liquidation;

(b) Second, to the establishment of any reserve which the Board of Managers may deem reasonably necessary for any contingent, conditional or unasserted claims or obligations of the Company; and

(c) Finally, the remaining balance of the liquidation proceeds, if any, to the Member.

8.04 In-Kind Distributions. Notwithstanding the foregoing, in the event the Board of Managers shall determine that an immediate sale of part or all of the property of the Company would cause undue loss to the Member, or the Board of Managers determines that it would be in the best interest of the Member to distribute property of the Company to the Member in-kind, then the Board of Managers may either defer liquidation of, and withhold from distribution for a reasonable time, any property of the Company except that necessary to satisfy the Company's debts and obligations, or distribute such property to the Member in-kind.

Article IX
Accounting and Bank Accounts

9.01 Fiscal Year and Accounting Method. The fiscal year of the Company shall be as designated by the Board of Managers. The Board of Managers shall also determine the accounting method to be used by the Company.

9.02 Books and Records. Proper and complete records and books of account shall be kept by the Board of Managers in which shall be entered all transactions and other matters relative to the Company business. The Company's books and records shall be prepared in accordance with generally accepted accounting principles, consistently applied. The Member shall have the right at any time and without notice to inspect the books and records of the Company.

9.03 Tax Returns and Elections. The Company shall cause to be prepared and timely filed all federal, state and local income tax returns or other returns or statements required by applicable law. As soon as reasonably practicable after the end of each fiscal year of the Company, the Company shall cause to be prepared and delivered to the Member all information with respect to the Company necessary for the Member's federal and state income tax returns.

9.04 Bank Accounts. All funds of the Company shall be deposited in a separate bank, money market or similar account approved by the Board of Managers and in the Company's name. Withdrawals therefrom shall be made only by persons authorized to do so by the Board of Managers.

Article X
Miscellaneous

10.01 Amendment. Except as otherwise expressly provided elsewhere in this Agreement, this Agreement shall not be altered, modified or changed except by an amendment approved the Member. In addition to any amendments otherwise authorized herein, amendments may be made to this Agreement from time to time by the Board of Managers without the consent of the Member (i) to cure any ambiguity or to correct or supplement any provision herein which may be inconsistent with any other provision herein or (ii) to delete or add any provisions of this Agreement required to be so deleted or added by federal, state or local law, the Internal Revenue Service or any other federal or state agency or any other similar entity or official.

10.02 No Third Party Rights. None of the provisions contained in this Agreement shall be for the benefit of or enforceable by any third parties, including creditors of the Company. The parties to this Agreement expressly retain any and all rights to amend this Agreement as herein provided, notwithstanding any interest in this Agreement or in any party to this Agreement held by any other

person. Notwithstanding anything to the contrary in this Section 10.02, this section shall not apply to the Collateral Agent.

10.03 Severability. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

10.04 Binding Agreement. The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

10.05 Headings. The headings of the Articles and Sections of this Agreement are for convenience only and shall not be considered in construing or interpreting any of the terms or provisions hereof.

10.06 Counterparts. This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

10.07 Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior writings or agreements with respect to the subject matter hereof.

10.08 Governing Law. This Agreement shall be construed according to and governed by the laws of the State of Delaware.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

ICG Hazard, LLC

By: /s/ Jon S. Ploetz
Jon S. Ploetz, Secretary

Being the Sole Member

SCHEDULE A

Member	Number of Membership Units
ICG Hazard, LLC	100

Exhibit 4.1

NINTH SUPPLEMENTAL INDENTURE GOVERNING
8.750% SENIOR NOTES DUE 2016
OF ARCH COAL, INC.

This NINTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of July 26, 2013, among Arch Flint Ridge, LLC, a Delaware limited liability company (the "Guaranteeing Subsidiary"), Arch Coal, Inc., a Delaware corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to below) and U.S. Bank National Association, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Guaranteeing Subsidiary is a subsidiary of the Company; and

WHEREAS, the Company and certain Guarantors have heretofore entered into an Indenture, dated July 31, 2009 (as heretofore supplemented, the "Indenture"), among the Company, such Guarantors and the Trustee, providing for the issuance of 8.750% Senior Notes due 2016 (the "Notes"), the related First Supplemental Indenture, dated February 8, 2010, among the Company, certain Guarantors and the Trustee, the related Second Supplemental Indenture, dated March 12, 2010, among the Company, certain Guarantors and the Trustee; the related Third Supplemental Indenture dated May 7, 2010, among the Company, certain Guarantors and the Trustee; the related Fourth Supplemental Indenture, dated December 15, 2010, among the Company, certain Guarantors and the Trustee; the related Fifth Supplemental Indenture, dated June 24, 2011, among the Company, certain Guarantors and the Trustee; the related Sixth Supplemental Indenture, dated October 7, 2011, among the Company, certain Guarantors and the Trustee; the related Seventh Supplemental Indenture, dated July 2, 2012, among the Company, certain Guarantors and the Trustee; and the related Eighth Supplemental Indenture, dated July 31, 2012, among the Company, certain Guarantors and the Trustee; and

WHEREAS, the Indenture provides that the Company shall cause any Person which becomes obligated to Guarantee the Notes, pursuant to the terms of Section 4.13 of the Indenture, to execute a supplemental indenture pursuant to which such Person shall Guarantee the obligations of the Company under the Notes and the Indenture in accordance with Article Ten of the Indenture with the same effect and to the same extent as if such Person had been named in the Indenture as a Guarantor; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide a Guarantee on the terms and subject to the conditions set forth in the Indenture including, but not limited to, Article Ten thereof. From and after the date hereof, the Guaranteeing Subsidiary shall be a Guarantor for all purposes under the Indenture and the Notes.

3. NO RECOURSE AGAINST OTHERS. No past, present or future member, manager, director, officer, employee or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company, the Guaranteeing Subsidiary, or any other Guarantor, under the Notes, any Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes or any Guarantee by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Guarantee.

4. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

SIGNATURES

ARCH COAL, INC.
as Issuer

By:	/s/ John T. Drexler
Name:	John T. Drexler
Title:	Senior Vice President and Chief Financial Officer

Signature Page to Ninth Supplemental Indenture

ALLEGHENY LAND COMPANY
ARCH COAL SALES COMPANY, INC.
ARCH COAL TERMINAL, INC.
ARCH COAL WEST, LLC
ARCH DEVELOPMENT, LLC
ARCH ENERGY RESOURCES, LLC
ARCH FLINT RIDGE, LLC
ARCH RECLAMATION SERVICES, INC.
ARCH WESTERN ACQUISITION CORPORATION
ARCH WESTERN ACQUISITION LLC
ARCH WESTERN RESOURCES, LLC
ARK LAND COMPANY
ARK LAND KH, INC.
ARK LAND LT, INC.
ARK LAND WR, INC.
ASHLAND TERMINAL, INC.
BRONCO MINING COMPANY, INC.
CATENARY COAL HOLDINGS, INC.
COAL-MAC, INC.
COALQUEST DEVELOPMENT LLC
CUMBERLAND RIVER COAL COMPANY
HAWTHORNE COAL COMPANY, INC.
HUNTER RIDGE, INC.
HUNTER RIDGE COAL COMPANY
HUNTER RIDGE HOLDINGS, INC.
ICG, INC.
ICG, LLC
ICG ADDCAR SYSTEMS, LLC
ICG BECKLEY, LLC
ICG EAST KENTUCKY, LLC
ICG EASTERN, LLC
ICG EASTERN LAND, LLC
ICG HAZARD, LLC
ICG HAZARD LAND, LLC
ICG ILLINOIS, LLC
ICG KNOTT COUNTY, LLC
ICG NATURAL RESOURCES, LLC
ICG TYGART VALLEY, LLC
INTERNATIONAL COAL GROUP, INC.
JULIANA MINING COMPANY, INC.
KING KNOB COAL CO., INC.
LONE MOUNTAIN PROCESSING, INC.
MARINE COAL SALES COMPANY
MELROSE COAL COMPANY, INC.
MINGO LOGAN COAL COMPANY

Signature Page to Ninth Supplemental Indenture

MOUNTAIN GEM LAND, INC.
MOUNTAIN MINING, INC.
MOUNTAINEER LAND COMPANY
OTTER CREEK COAL, LLC
PATRIOT MINING COMPANY, INC.
POWELL MOUNTAIN ENERGY, LLC
PRAIRIE HOLDINGS, INC.
SHELBY RUN MINING COMPANY, LLC
SIMBA GROUP, INC.
THUNDER BASIN COAL COMPANY, L.L.C.
TRITON COAL COMPANY, LLC
UPSHUR PROPERTY, INC.
VINDEX ENERGY CORPORATION
WESTERN ENERGY RESOURCES, INC.
WHITE WOLF ENERGY, INC.

WOLF RUN MINING COMPANY

By: /s/ John T. Drexler

John T. Drexler
Vice President

Signature Page to Ninth Supplemental Indenture

ARCH WESTERN BITUMINOUS GROUP, LLC
ARCH WESTERN FINANCE, LLC
ARCH OF WYOMING, LLC
CANYON FUEL COMPANY, LLC
MOUNTAIN COAL COMPANY, L.L.C.

By: /s/ James E. Florczak

James E. Florczak
Vice President and Treasurer

Signature Page to Ninth Supplemental Indenture

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: /s/ Rebekah A. Foltz
Name: Rebekah A. Foltz
Title: Vice President

Signature Page to Ninth Supplemental Indenture

Exhibit 4.2

SEVENTH SUPPLEMENTAL INDENTURE GOVERNING
7 ¼% SENIOR NOTES DUE 2020
OF ARCH COAL, INC.

This SEVENTH SUPPLEMENTAL INDENTURE (this “Supplemental Indenture”), dated as of July 26, 2013, among Arch Flint Ridge, LLC, a Delaware limited liability company (the “Guaranteeing Subsidiary”), Arch Coal, Inc., a Delaware corporation (the “Company”), the other Guarantors (as defined in the Indenture referred to below) and U.S. Bank National Association, as trustee under the Indenture referred to below (the “Trustee”).

WITNESSETH

WHEREAS, the Guaranteeing Subsidiary is a subsidiary of the Company; and

WHEREAS, the Company has heretofore entered into an Indenture, dated August 9, 2010 (as heretofore supplemented, the “Indenture”), between the Company and the Trustee; the related First Supplemental Indenture, dated August 9, 2010 (the “First Supplemental Indenture”), among the Company, certain Guarantors and the Trustee, providing for the issuance of 7 ¼% Senior Notes due 2020 (the “Notes”); the related Second Supplemental Indenture, dated December 16, 2010, among the Company, certain Guarantors and the Trustee; the related Third Supplemental Indenture, dated June 24, 2011, among the Company, certain Guarantors and the Trustee; the related Fourth Supplemental Indenture, dated October 7, 2011, among the Company, certain Guarantors and the Trustee; the related Fifth Supplemental Indenture, dated July 2, 2012, among the Company, certain Guarantors and the Trustee; and the related Sixth Supplemental Indenture, dated July 31, 2012, among the Company, certain Guarantors and the Trustee; and

WHEREAS, the Indenture provides that the Company shall cause any Person which becomes obligated to Guarantee the Notes, pursuant to the terms of Section 4.13 of the First Supplemental Indenture, to execute a supplemental indenture pursuant to which such Person shall Guarantee the obligations of the Company under the Notes and the Indenture in accordance with Article Ten of the First Supplemental Indenture with the same effect and to the same extent as if such Person had been named in the Indenture as a Guarantor; and

WHEREAS, pursuant to Section 9.01 of the First Supplemental Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO GUARANTEE. The Guaranteeing Subsidiary hereby agrees to provide a Guarantee on the terms and subject to the conditions set forth in the Indenture including, but not

limited to, Article Ten of the First Supplemental Indenture. From and after the date hereof, the Guaranteeing Subsidiary shall be a Guarantor for all purposes under the Indenture and the Notes.

3. NO RECOURSE AGAINST OTHERS. No past, present or future member, manager, director, officer, employee or agent of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company, the Guaranteeing Subsidiary, or any other Guarantor, under the Notes, any Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes or any Guarantee by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Guarantee.

4. NEW YORK LAW TO GOVERN. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

5. COUNTERPARTS. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

6. EFFECT OF HEADINGS. The Section headings herein are for convenience only and shall not affect the construction hereof.

7. THE TRUSTEE. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

SIGNATURES

ARCH COAL, INC.
as Issuer

By:	/s/ John T. Drexler
Name:	John T. Drexler
Title:	Senior Vice President and Chief Financial Officer

ALLEGHENY LAND COMPANY
ARCH COAL SALES COMPANY, INC.
ARCH COAL TERMINAL, INC.
ARCH COAL WEST, LLC
ARCH DEVELOPMENT, LLC
ARCH ENERGY RESOURCES, LLC
ARCH FLINT RIDGE, LLC
ARCH RECLAMATION SERVICES, INC.
ARCH WESTERN ACQUISITION CORPORATION
ARCH WESTERN ACQUISITION LLC
ARCH WESTERN RESOURCES, LLC
ARK LAND COMPANY
ARK LAND KH, INC.
ARK LAND LT, INC.
ARK LAND WR, INC.
ASHLAND TERMINAL, INC.
BRONCO MINING COMPANY, INC.
CATENARY COAL HOLDINGS, INC.
COAL-MAC, INC.
COALQUEST DEVELOPMENT LLC
CUMBERLAND RIVER COAL COMPANY
HAWTHORNE COAL COMPANY, INC.
HUNTER RIDGE, INC.
HUNTER RIDGE COAL COMPANY
HUNTER RIDGE HOLDINGS, INC.
ICG, INC.
ICG, LLC
ICG ADDCAR SYSTEMS, LLC
ICG BECKLEY, LLC
ICG EAST KENTUCKY, LLC
ICG EASTERN, LLC
ICG EASTERN LAND, LLC
ICG HAZARD, LLC
ICG HAZARD LAND, LLC
ICG ILLINOIS, LLC
ICG KNOTT COUNTY, LLC
ICG NATURAL RESOURCES, LLC
ICG TYGART VALLEY, LLC
INTERNATIONAL COAL GROUP, INC.
JULIANA MINING COMPANY, INC.
KING KNOB COAL CO., INC.
LONE MOUNTAIN PROCESSING, INC.
MARINE COAL SALES COMPANY
MELROSE COAL COMPANY, INC.
MINGO LOGAN COAL COMPANY
MOUNTAIN GEM LAND, INC.

MOUNTAIN MINING, INC.
MOUNTAINEER LAND COMPANY
OTTER CREEK COAL, LLC
PATRIOT MINING COMPANY, INC.
POWELL MOUNTAIN ENERGY, LLC
PRAIRIE HOLDINGS, INC.
SHELBY RUN MINING COMPANY, LLC
SIMBA GROUP, INC.
THUNDER BASIN COAL COMPANY, L.L.C.
TRITON COAL COMPANY, LLC
UPSHUR PROPERTY, INC.
VINDEX ENERGY CORPORATION
WESTERN ENERGY RESOURCES, INC.
WHITE WOLF ENERGY, INC.

WOLF RUN MINING COMPANY

By: /s/ John T. Drexler

John T. Drexler
Vice President

Signature Page to Seventh Supplemental Indenture

ARCH WESTERN BITUMINOUS GROUP, LLC
ARCH WESTERN FINANCE, LLC
ARCH OF WYOMING, LLC
CANYON FUEL COMPANY, LLC
MOUNTAIN COAL COMPANY, L.L.C.

By: /s/ James E. Florczak

James E. Florczak
Vice President and Treasurer

Signature Page to Seventh Supplemental Indenture

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: /s/ Rebekah A. Foltz
Name: Rebekah A. Foltz
Title: Vice President

Signature Page to Seventh Supplemental Indenture

FIFTH SUPPLEMENTAL INDENTURE

This FIFTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of July 26, 2013, among Arch Flint Ridge, LLC, a Delaware limited liability company (the "Guaranteeing Subsidiary"), Arch Coal, Inc., a Delaware corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to below) and UMB Bank National Association, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company, certain of the Guarantors and the Trustee have heretofore entered into an Indenture, dated as of June 14, 2011 (as amended, supplemented, waived or otherwise modified, the "Indenture"), providing for the issuance of the Company's 7.000% Senior Notes due 2019 (the "2019 Notes") and the Company's 7.250% Senior Notes due 2021 (the "2021 Notes" and together with the 2019 Notes, the "Notes"); the related First Supplemental Indenture, dated as of July 5, 2011, among the Company, certain of the Guarantors and the Trustee; the related Second Supplemental Indenture, dated as of October 7, 2011, among the Company, certain of the Guarantors and the Trustee; the related Third Supplemental Indenture, dated as of July 2, 2012, among the Company, certain of the Guarantors and the Trustee; and the Fourth Supplemental Indenture, dated as of July 31, 2012, among the Company, certain of the Guarantors and the Trustee; and

WHEREAS, the Indenture provides that the Company shall cause any Restricted Subsidiary which becomes obligated to Guarantee the Notes, pursuant to the terms of Section 4.12 of the Indenture, to execute and deliver a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary shall Guarantee the obligations of the Company under each series of the Notes and the Indenture in accordance with Article Ten of the Indenture with the same effect and to the same extent as if such Restricted Subsidiary had been named in the Indenture as a Guarantor; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Company, the Guarantors and the Trustee are authorized to execute and deliver this Supplemental Indenture, without the consent of any Holder of the Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO BE BOUND. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Guaranteeing Subsidiary agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor,

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including Article Ten thereof, and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. GUARANTEE. The Guaranteeing Subsidiary hereby agrees, on a joint and several basis with all the existing Guarantors, to fully and unconditionally Guarantee to each Holder of the Notes and the Trustee the Obligations pursuant to and as set forth in Article Ten of the Indenture on an unsecured senior basis.

4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder, member, manager or partner of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company, the Guaranteeing Subsidiary, or any other Guarantor, under the Notes, any Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes or any Guarantee by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Guarantee.

5. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

6. COUNTERPARTS. The parties hereto may sign any number of copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

7. EFFECT OF HEADINGS. The Section headings in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

8. RATIFICATION OF INDENTURE; SUPPLEMENTAL INDENTURES PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

SIGNATURES

ARCH COAL, INC.

as Issuer

By: /s/ John T. Drexler
Name: John T. Drexler
Title: Senior Vice President and
Chief Financial Officer

Signature Page to Fifth Supplemental Indenture

ALLEGHENY LAND COMPANY
ARCH COAL SALES COMPANY, INC.
ARCH COAL TERMINAL, INC.
ARCH COAL WEST, LLC
ARCH DEVELOPMENT, LLC
ARCH ENERGY RESOURCES, LLC
ARCH FLINT RIDGE, LLC
ARCH RECLAMATION SERVICES, INC.
ARCH WESTERN ACQUISITION CORPORATION
ARCH WESTERN ACQUISITION LLC
ARCH WESTERN RESOURCES, LLC
ARK LAND COMPANY
ARK LAND KH, INC.
ARK LAND LT, INC.
ARK LAND WR, INC.
ASHLAND TERMINAL, INC.
BRONCO MINING COMPANY, INC.
CATENARY COAL HOLDINGS, INC.
COAL-MAC, INC.
COALQUEST DEVELOPMENT LLC
CUMBERLAND RIVER COAL COMPANY
HAWTHORNE COAL COMPANY, INC.
HUNTER RIDGE, INC.
HUNTER RIDGE COAL COMPANY
HUNTER RIDGE HOLDINGS, INC.
ICG, INC.
ICG, LLC
ICG ADDCAR SYSTEMS, LLC
ICG BECKLEY, LLC
ICG EAST KENTUCKY, LLC
ICG EASTERN, LLC
ICG EASTERN LAND, LLC
ICG HAZARD, LLC
ICG HAZARD LAND, LLC
ICG ILLINOIS, LLC
ICG KNOTT COUNTY, LLC
ICG NATURAL RESOURCES, LLC
ICG TYGART VALLEY, LLC
INTERNATIONAL COAL GROUP, INC.
JULIANA MINING COMPANY, INC.
KING KNOB COAL CO., INC.
LONE MOUNTAIN PROCESSING, INC.
MARINE COAL SALES COMPANY
MELROSE COAL COMPANY, INC.
MINGO LOGAN COAL COMPANY

Signature Page to Fifth Supplemental Indenture

MOUNTAIN GEM LAND, INC.
MOUNTAIN MINING, INC.
MOUNTAINEER LAND COMPANY
OTTER CREEK COAL, LLC
PATRIOT MINING COMPANY, INC.
POWELL MOUNTAIN ENERGY, LLC
PRAIRIE HOLDINGS, INC.
SHELBY RUN MINING COMPANY, LLC
SIMBA GROUP, INC.
THUNDER BASIN COAL COMPANY, L.L.C.
TRITON COAL COMPANY, LLC
UPSHUR PROPERTY, INC.

VINDEX ENERGY CORPORATION
WESTERN ENERGY RESOURCES, INC.
WHITE WOLF ENERGY, INC.
WOLF RUN MINING COMPANY

By: /s/ John T. Drexler

John T. Drexler
Vice President

Signature Page to Fifth Supplemental Indenture

ARCH WESTERN BITUMINOUS GROUP, LLC
ARCH WESTERN FINANCE, LLC
ARCH OF WYOMING, LLC
CANYON FUEL COMPANY, LLC
MOUNTAIN COAL COMPANY, L.L.C.

By: /s/ James E. Florczak

James E. Florczak
Vice President and Treasurer

Signature Page to Fifth Supplemental Indenture

UMB BANK NATIONAL ASSOCIATION
as Trustee

By: /s/ Victor Zarrilli
Name: Victor Zarrilli
Title: Sr. Vice President

Signature Page to Fifth Supplemental Indenture

Exhibit 4.4

FIRST SUPPLEMENTAL INDENTURE

This FIRST SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of July 26, 2013, among Arch Flint Ridge, LLC, a Delaware limited liability company (the "Guaranteeing Subsidiary"), Arch Coal, Inc., a Delaware corporation (the "Company"), the other Guarantors (as defined in the Indenture referred to below) and UMB Bank National Association, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company, certain of the Guarantors and the Trustee have heretofore entered into an Indenture, dated as of November 21, 2012 (as amended, supplemented, waived or otherwise modified, the "Indenture"), providing for the issuance of the Company's 9.875% Senior Notes due 2019 (the "Notes"); and

WHEREAS, the Indenture provides that the Company shall cause any Restricted Subsidiary which becomes obligated to Guarantee the Notes, pursuant to the terms of Section 4.12 of the Indenture, to execute and deliver a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary shall Guarantee the obligations of the Company under each series of the Notes and the Indenture in accordance with Article Ten of the Indenture with the same effect and to the same extent as if such Restricted Subsidiary had been named in the Indenture as a Guarantor; and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Company, the Guarantors and the Trustee are authorized to execute and deliver this Supplemental Indenture, without the consent of any Holder of the Notes.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

1. CAPITALIZED TERMS. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. AGREEMENT TO BE BOUND. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture. The Guaranteeing Subsidiary agrees to be bound by all of the provisions of the Indenture applicable to a Guarantor, including Article Ten thereof, and to perform all of the obligations and agreements of a Guarantor under the Indenture.

3. GUARANTEE. The Guaranteeing Subsidiary hereby agrees, on a joint and several basis with all the existing Guarantors, to fully and unconditionally Guarantee to each Holder of the Notes and the Trustee the Obligations pursuant to and as set forth in Article Ten of the Indenture on an unsecured senior basis.

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4. NO RECOURSE AGAINST OTHERS. No past, present or future director, officer, employee, incorporator, stockholder, member, manager or partner of the Guaranteeing Subsidiary, as such, shall have any liability for any obligations of the Company, the Guaranteeing Subsidiary, or any other Guarantor, under the Notes, any Guarantee, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of the Notes or any Guarantee by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes and the Guarantee.

5. NEW YORK LAW TO GOVERN. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

6. COUNTERPARTS. The parties hereto may sign any number of copies of this Supplemental Indenture in counterparts, all of which together shall constitute one and the same agreement.

7. EFFECT OF HEADINGS. The Section headings in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

8. RATIFICATION OF INDENTURE; SUPPLEMENTAL INDENTURES PART OF INDENTURE. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby. The Trustee makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

SIGNATURES

ARCH COAL, INC.
as Issuer

By: /s/ John T. Drexler
Name: John T. Drexler

Title: Senior Vice President and
Chief Financial Officer

Signature Page to First Supplemental Indenture

ALLEGHENY LAND COMPANY
ARCH COAL SALES COMPANY, INC.
ARCH COAL TERMINAL, INC.
ARCH COAL WEST, LLC
ARCH DEVELOPMENT, LLC
ARCH ENERGY RESOURCES, LLC
ARCH FLINT RIDGE, LLC
ARCH RECLAMATION SERVICES, INC.
ARCH WESTERN ACQUISITION CORPORATION
ARCH WESTERN ACQUISITION LLC
ARCH WESTERN RESOURCES, LLC
ARK LAND COMPANY
ARK LAND KH, INC.
ARK LAND LT, INC.
ARK LAND WR, INC.
ASHLAND TERMINAL, INC.
BRONCO MINING COMPANY, INC.
CATENARY COAL HOLDINGS, INC.
COAL-MAC, INC.
COALQUEST DEVELOPMENT LLC
CUMBERLAND RIVER COAL COMPANY
HAWTHORNE COAL COMPANY, INC.
HUNTER RIDGE, INC.
HUNTER RIDGE COAL COMPANY
HUNTER RIDGE HOLDINGS, INC.
ICG, INC.
ICG, LLC
ICG ADDCAR SYSTEMS, LLC
ICG BECKLEY, LLC
ICG EAST KENTUCKY, LLC
ICG EASTERN, LLC
ICG EASTERN LAND, LLC
ICG HAZARD, LLC
ICG HAZARD LAND, LLC
ICG ILLINOIS, LLC
ICG KNOTT COUNTY, LLC
ICG NATURAL RESOURCES, LLC
ICG TYGART VALLEY, LLC
INTERNATIONAL COAL GROUP, INC.
JULIANA MINING COMPANY, INC.
KING KNOB COAL CO., INC.
LONE MOUNTAIN PROCESSING, INC.
MARINE COAL SALES COMPANY
MELROSE COAL COMPANY, INC.
MINGO LOGAN COAL COMPANY

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MOUNTAIN GEM LAND, INC.
MOUNTAIN MINING, INC.
MOUNTAINEER LAND COMPANY
OTTER CREEK COAL, LLC
PATRIOT MINING COMPANY, INC.
POWELL MOUNTAIN ENERGY, LLC
PRAIRIE HOLDINGS, INC.
SHELBY RUN MINING COMPANY, LLC
SIMBA GROUP, INC.
THUNDER BASIN COAL COMPANY, L.L.C.
TRITON COAL COMPANY, LLC
UPSHUR PROPERTY, INC.
VINDEX ENERGY CORPORATION
WESTERN ENERGY RESOURCES, INC.
WHITE WOLF ENERGY, INC.
WOLF RUN MINING COMPANY

By: /s/ John T. Drexler

John T. Drexler
Vice President

Signature Page to First Supplemental Indenture

ARCH WESTERN BITUMINOUS GROUP, LLC
ARCH WESTERN FINANCE, LLC
ARCH OF WYOMING, LLC
CANYON FUEL COMPANY, LLC
MOUNTAIN COAL COMPANY, L.L.C.

By: /s/ James E. Florczak

James E. Florczak
Vice President and Treasurer

Signature Page to First Supplemental Indenture

UMB BANK NATIONAL ASSOCIATION
as Trustee

By: /s/ Victor Zarrilli
Name: Victor Zarrilli
Title: Sr. Vice President

Signature Page to First Supplemental Indenture

Exhibit 12.1

Computation of Ratio of Earnings to Combined Fixed Charges and Preference Dividends

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Loss from continuing operations excluding income or loss from equity investments	$ (276,438)	$ (743,873)
Adjustments:		
Fixed charges	203,011	184,684
Distributed income from equity investments	—	1,801
Capitalized interest, net of amortization	(6,583)	(4,674)
Arch Western Resources, LLC dividends on preferred membership interest	—	(3)
Total loss	$ (80,010)	$ (562,065)
Fixed charges:		
Interest expense	$ 189,851	$ 153,500
Capitalized interest	8,209	6,528
Arch Western Resources, LLC dividends on preferred membership interest	—	(3)
Costs of debt retirement and write-off of related capitalized financing costs	—	19,042
Portions of rent which represent an interest factor	4,951	5,617
Total fixed charges	$ 203,011	$ 184,684
Preferred stock dividends	$ —	$ —
Total fixed charges and preferred stock dividends	$ 203,011	$ 184,684
Ratio of earnings to combined fixed charges and preference dividends	N/A	N/A

Total loss consists of loss from continuing operations before income taxes and are adjusted to include only distributed income from affiliates accounted for on the equity method and fixed charges (excluding capitalized interest). Fixed charges consist of interest incurred on indebtedness, the portion of operating lease rentals deemed representative of the interest factor and the amortization of debt expense.

Exhibit 31.1

Certification

I, John W. Eaves, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arch Coal, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John W. Eaves
John W. Eaves
President and Chief Executive Officer

Date: August 8, 2013

Exhibit 31.2

Certification

I, John T. Drexler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arch Coal, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ John T. Drexler

John T. Drexler
Senior Vice President and Chief Financial Officer
Date: August 8, 2013

Exhibit 32.1

Certification of Periodic Financial Reports

I, John W. Eaves, President and Chief Executive Officer of Arch Coal, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Arch Coal, Inc.

/s/ John W. Eaves

John W. Eaves
President and Chief Executive Officer

Date: August 8, 2013

Exhibit 32.2

Certification of Periodic Financial Reports

I, John T. Drexler, Senior Vice President and Chief Financial Officer of Arch Coal, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Arch Coal, Inc.

/s/ John T. Drexler
John T. Drexler
Senior Vice President and Chief Financial Officer
Date: August 8, 2013

EXHIBIT 95

Mine Safety and Health Administration Safety Data

We believe that Arch Coal, Inc. (“Arch Coal”) is one of the safest coal mining companies in the world. Safety is a core value at Arch Coal and at our subsidiary operations. We have in place a comprehensive safety program that includes extensive health & safety training for all employees, site inspections, emergency response preparedness, crisis communications training, incident investigation, regulatory compliance training and process auditing, as well as an open dialogue between all levels of employees. The goals of our processes are to eliminate exposure to hazards in the workplace, ensure that we comply with all mine safety regulations, and support regulatory and industry efforts to improve the health and safety of our employees along with the industry as a whole.

The operation of our mines is subject to regulation by the Federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). MSHA inspects our mines on a regular basis and issues various citations, orders and violations when it believes a violation has occurred under the Mine Act. We present information below regarding certain mining safety and health violations, orders and citations, issued by MSHA and related assessments and legal actions and mine-related fatalities with respect to our coal mining operations. In evaluating the above information regarding mine safety and health, investors should take into account factors such as: (i) the number of citations and orders will vary depending on the size of a coal mine, (ii) the number of citations issued will vary from inspector to inspector and mine to mine, and (iii) citations and orders can be contested and appealed, and in that process are often reduced in severity and amount, and are sometimes dismissed or vacated.

The table below sets forth for the three months ended June 30, 2013 for each active MSHA identification number of Arch Coal and its subsidiaries, the total number of: (i) violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Act for which the operator received a citation from MSHA; (ii) orders issued under section 104(b) of the Mine Act; (iii) citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Act; (iv) flagrant violations under section 110(b)(2) of the Mine Act; (v) imminent danger orders issued under section 107(a) of the Mine Act; (vi) proposed assessments from MHSA (regardless of whether Arch Coal has challenged or appealed the assessment); (vii) mining-related fatalities; (viii) notices from MSHA of a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Act; (ix) notices from MSHA regarding the potential to have a pattern of violations as referenced in (viii) above; and (x) pending legal actions before the Federal Mine Safety and Health Review Commission (as of June 30, 2013) involving such coal or other mine, as well as the aggregate number of legal actions instituted and the aggregate number of legal actions resolved during the reporting period.

Mine or Operating Name / MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (in thousands) ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern of Violations Under Section 104(e) (yes/no)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)	Legal Actions Pending as of Last Day of Period(1) (#)
Active Operations												
Arch Coal Terminal / 15-10358	—	—	—	—	—	0.1	—	No	No	—	—	—
Lone Mountain Darby Fork / 15-02263	3	—	—	—	—	3.5	—	No	No	—	—	—
Lone Mountain Clover Fork / 15-18647	3	—	—	1	—	141.3	—	No	No	4	1	8
Lone Mountain Huff Creek / 15-17234	1	—	—	—	—	2.7	—	No	No	—	—	—
Lone Mountain 6C Mine / 44-06782	—	—	—	—	—	0.4	—	No	No	—	—	—
Lone Mountain Processing / 44-05898	4	—	—	—	—	2.0	—	No	No	—	—	—
Flint Ridge Prep Plant / 15-11991	—	—	—	—	—	0.1	—	No	No	—	—	—
Flint Ridge Mine #2 / 15-18991	—	—	—	—	—	—	—	No	No	—	3	14
Hazard South Fork Mine / 15-19391	—	—	—	—	—	—	—	No	No	—	—	—
Hazard Kentucky River Loading / 15-13495	—	—	—	—	—	—	—	No	No	—	—	—
Hazard Rowdy Gap Mine / 15-18048	—	—	—	—	—	—	—	No	No	—	—	1
Hazard Tip Top Mine / 15-18613	—	—	—	—	—	—	—	No	No	—	—	—
Hazard East Mac & Nellie / 15-18966	—	—	—	—	—	3.3	—	No	No	2	—	3
Hazard Bearville / 15-19416	2	—	—	—	—	0.8	—	No	No	—	—	—
Hazard Thunder Ridge / 15-17746	—	—	—	—	—	—	—	No	No	1	—	2
East Kentucky Sandlick Loadout / 15-16290	—	—	—	—	—	—	—	No	No	—	—	—
East Kentucky Mt. Sterling Branch / 15-19070	1	—	—	—	—	—	—	No	No	—	—	—

East Kentucky Blackberry Creek / 15-17960	—	—	—	—	—	—	—	No	No	—	—	—
Powell Mt. Mayflower Plant / 44-05605	—	—	—	—	—	—	—	No	No	—	—	—

Powell Mt. Mine #1 / 15-18734	—	—	—	—	—	9.0	—	No	No	—	4	7
Powell Mt. Middle Splint / 44-07207	—	—	—	—	—	0.6	—	No	No	—	1	—
Knott County Raven #1 / 15-18949	—	—	—	—	—	—	—	No	No	—	—	1
Knott County Slone Branch / 15-19323	—	—	—	—	—	—	—	No	No	—	—	1
Knott County Raven Prep Plant / 15-17724	—	—	—	—	—	—	—	No	No	—	—	—
Knott County Lige Hollow / 15-19497	—	—	—	—	—	—	—	No	No	—	1	—
Knott County Kathleen / 15-19447	—	—	—	—	—	—	—	No	No	—	2	2
Knott County Supreme Energy Prep Plant / 15-16567	—	—	—	—	—	—	—	No	No	—	—	—
Knott County Classic Mine / 15-18522	—	—	—	—	—	—	—	No	No	—	7	4
Vindex Cabin Run / 18-00133	—	—	—	—	—	0.5	—	No	No	—	—	—
Vindex Frostburg Blend Yard / 18-00709	—	—	—	—	—	—	—	No	No	—	—	—
Vindex Douglas / 18-00749	—	—	—	—	—	—	—	No	No	—	—	—
Vindex Carlos Surface / 18-00769	—	—	—	—	—	—	—	No	No	—	—	1
Vindex Bismarck / 46-09369	—	—	—	—	—	2.4	—	No	No	—	—	3
Vindex Dobbin Ridge Prep Plant / 46-07837	—	—	—	—	—	—	—	No	No	—	1	1
Vindex Energy / 46-02151	—	—	—	—	—	—	—	No	No	—	—	—
Vindex Jackson Mt. / 18-00170	—	—	—	—	—	0.7	—	No	No	—	—	—
Vindex Wolf Den Run / 18-00790	—	—	—	—	—	—	—	No	No	—	—	—
Skyline Mine #3 / 42-01566	3	—	—	—	—	5.3	—	No	No	—	—	1
Sufco / 42-00089	7	—	—	—	—	7.3	—	No	No	—	—	—
Dugout Canyon Mine / 42-01890	2	—	—	—	—	39.6	—	No	No	1	—	3
Dugout Castle Valley Prep Plant / 42-02455	—	—	—	—	—	—	—	No	No	—	—	—

Cumberland River Pardee Plant / 44-05014	1	—	—	—	—	1.5	—	No	No	—	—	1
Cumberland River Band Mill Mine / 44-06816	1	—	—	—	—	4.8	—	No	No	—	—	1
Cumberland River Pine Branch #1 / 44-07224	13	—	3	—	—	144.5	—	No	No	5	2	6
Cumberland River Band Mill #2 / 15-18705	—	—	—	—	—	4.5	—	No	No	3	2	2
Cumberland River Trace Fork #1 / 15-19533	14	—	—	—	—	32.9	—	No	No	2	2	4
Cumberland River Blue Ridge #1 / 15-19228	—	—	—	—	—	—	—	No	No	—	—	—
Beckley Eccles Refuse Area / 46-09023	—	—	—	—	—	—	—	No	No	—	—	—
Beckley Pocahontas Mine / 46-05252	27	—	—	—	—	356.1	—	No	No	4	8	11
Beckley Pocahontas Plant / 46-09216	—	—	—	—	—	—	—	No	No	—	—	—
Wolf Run Sawmill Run Prep Plant / 46-05544	—	—	—	—	—	0.2	—	No	No	—	—	1
Wolf Run Imperial Mine / 46-09115	—	—	—	—	—	12.5	—	No	No	2	6	8
Upshur Complex / 46-05823	—	—	—	—	—	0.7	—	No	No	—	1	—
Patriot Mining Company / 46-07654	—	—	—	—	—	—	—	No	No	—	—	—
Patriot Rail & River Terminal / 46-07555	—	—	—	—	—	—	—	No	No	—	—	—
Eastern Birch River Mine / 46-07945	—	—	—	—	—	—	—	No	No	—	—	—
Eastern Bearpen Surface Mine / 46-09220	—	—	—	—	—	—	—	No	No	—	—	—
Eastern Left Fork #1 / 46-09373	—	—	—	—	—	—	—	No	No	—	—	—
Eastern Birch River Plant / 46-08390	—	—	—	—	—	—	—	No	No	—	—	—
Coal Mac Holden #22 Prep Plant / 46-05909	—	—	—	—	—	0.6	—	No	No	—	—	—
Coal Mac Ragland Loadout / 46-08563	—	—	—	—	—	0.4	—	No	No	—	—	—
Coal Mac Holden #22 Surface / 46-08984	—	—	—	—	—	2.4	—	No	No	—	—	—
Sentinel Mine / 46-04168	20	—	—	—	—	247.7	—	No	No	4	4	15
Sentinel Prep Plant / 46-08777	3	—	—	—	—	5.3	—	No	No	1	1	1
Mingo Logan Mountaineer II / 46-09029	48	—	—	—	—	161.9	—	No	No	3	10	34

Mingo Logan Cardinal Prep Plant / 46-09046	—	—	—	—	—	—	—	No	No	1	—	2
Leer #1 Mine / 46-09192	56	—	4	—	—	39.0	—	No	No	1	1	2
Arch of Wyoming Seminoe II / 48-00828	—	—	—	—	—	—	—	No	No	—	—	—
Arch of Wyoming Elk Mountain / 48-01694	—	—	—	—	—	—	—	No	No	—	—	—
Black Thunder / 48-00977	1	—	—	—	—	43.4	—	No	No	1	2	6
Coal Creek / 48-01215	—	—	—	—	—	—	—	No	No	—	—	—

West Elk Mine / 05-03672	10	1	—	—	—	93.5	—	No	No	3	—	18
Viper Mine / 11-02664	12	—	—	—	—	48.6	—	No	No	2	2	8
Lone Mountain Days Creek / 15-17971	—	—	—	—	—	—	—	No	No	—	—	—
Leer #1 Prep Plant / 46-09191	—	—	—	—	—	0.4	—	No	No	—	—	—
Holden #25 Impoundment / 46-02435	—	—	—	—	—	0.1	—	No	No	—	—	—
Inactive Operations												
Knott County Clean Energy / 15-18393	—	—	—	—	—	—	—	No	No	—	—	1
Wolf Run Sago / 46-08071	—	—	—	—	—	—	—	No	No	—	—	1

(1) See table below for additional details regarding Legal Actions Pending as of June 30, 2013.

Mine or Operating Name/MSHA Identification Number	Contests of Citations, Orders (as of June 30, 2013)	Contests of Proposed Penalties (as of June 30, 2013)	Complaints for Compensation (as of June 30, 2013)	Complaints of Discharge, Discrimination or Interference (as of June 30, 2013)	Applications for Temporary Relief (as of June 30, 2013)	Appeals of Judges' Decisions or Orders (as of June 30, 2013)
Lone Mountain Clover Fork / 15-18647	2	6	—	—	—	3
Flint Ridge Mine #2 / 15-18991	—	14	—	—	—	—
Knott County Kathleen / 15-19447	—	2	—	—	—	—
Hazard Thunder Ridge / 15-17746	—	2	—	—	—	—
Cumberland River / Trace Fork 15-19533	—	4	—	—	—	—
Hazard East Mac & Nellie / 15-18966	—	3	—	—	—	—
Hazard Rowdy Gap Mine / 15-18048	—	1	—	—	—	—
Powell Mt. Mine #1 / 15-18734	—	7	—	—	—	—

Knott County Raven #1 / 15-18949	—	1	—	—	—	—
Knott County Classic Mine / 15-18522	—	4	—	—	—	—
Knott County Slone's Branch / 15-19323	—	1	—	—	—	—
Knott County Clean Energy / 15-18393	—	1	—	—	—	—
Vindex Bismarck / 46-09369	—	3	—	—	—	—
Skyline Mine #3 / 42-01566	—	1	—	—	—	—
Dugout Canyon Mine / 42-01890	—	3	—	—	—	—
Cumberland River Band Mill #2 / 15-18705	—	2	—	—	—	—
Beckley Pocahontas Mine / 46-05252	—	11	—	—	—	—
Wolf Run Sawmill Run Prep Plant / 46-05544	—	1	—	—	—	—
Wolf Run Imperial Mine / 46-09115	—	8	—	—	—	—
Sentinel Mine / 46-04168	—	15	—	—	—	1
Sentinel Prep Plant / 46-08777	—	1	—	—	—	—
Wolf Run Sago / 46-08071	—	1	—	—	—	1
Mingo Logan Mountaineer II / 46-09029	2	32	—	—	—	—
Mingo Logan Cardinal Prep Plant / 46-09046	—	2	—	—	—	—
Black Thunder / 48-00977	2	4	—	—	—	—
West Elk Mine / 05-03672	1	17	—	—	—	—
Viper Mine / 11-02664	—	8	—	—	—	—
Vindex Dobbin Ridge Prep / 46-07837	—	1	—	—	—	—
Cumberland River Pine Branch #1 / 44-07224	—	6	—	—	—	—
Leer #1 Mine / 46-09192	—	2	—	—	—	—
Cumberland River Band Mill / 44-06816	—	1	—	—	—	—
Cumberland River Pardee Loadout / 44-05014	—	1	—	—	—	—
Vindex Carlos Surface / 18-00769	—	1	—	—	—	—