

CRAFT JOSEPH W III
Form 4
January 27, 2005

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CRAFT JOSEPH W III

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1717 S. BOULDER AVENUE, SUITE 600
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/26/2005

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

TULSA, OK 74119

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

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

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common unit					144,000	D	
Common unit					1,000	I	By sons
Common unit					1,232,780	I	See footnote (6)
Common unit					10,323	I	See footnote (7)
Common unit					111,849	I	See footnote (8)

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount Number of Shares
Phantom unit	(2)					(1) (5)	Common unit	17,800
Phantom unit	(2)	01/26/2005 ⁽¹⁰⁾		A	873	(1) (5)	Common unit	873
Restricted unit	(2)					(3) (5)	Common unit	45,000
Restricted unit	(2)					(4) (5)	Common unit	28,000
Subordinated units	(2)					(9) (5)	Subordinated units	6,422,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CRAFT JOSEPH W III 1717 S. BOULDER AVENUE SUITE 600 TULSA, OK 74119	X	X	President and Chief Executive	

Signatures

Joseph W. Craft 01/27/2005
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Phantom units are to be settled in either cash or ARLP common units, at the election of the Compensation Committee, upon the reporting person's death or termination.
- (2) 1 for 1
- (3) The Restricted units will vest on September 30, 2005 provided that the issuer meets certain financial tests. Once vested the restricted units are to be settled in either cash or ARLP common units, at the election of the Compensation Committee.
- (4) The Restricted units will vest on December 31, 2006 provided that the issuer meets certain financial tests. Once vested the restricted units are to be settled in either cash or ARLP common units, at the election of Compensation Committee.
- (5) Not applicable
- (6) The reporting person indirectly holds 1,232,780 Common Units of ARLP though ARH-II, of which he is the sole director and majority shareholder. ARH-II holds all of the outstanding shares of Alliance Resource Holdings, Inc. ("ARH"). ARH, in turn holds all of the outstanding shares of Alliance Resource GP, LLC ("SGP"). The SGP directly holds 1,232,780 Common Units of ARLP as well as other assets. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (7) Following the reported transaction the reporting person indirectly holds 10,323 Common Units of ARLP through Alliance Management Holdings, LLC ("AMH") of which he is the sole director. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (8) Following the reported transaction the reporting person indirectly holds 111,849 Common Units of ARLP through AMH-II, LLC ("AMH-II"). The reporting person is the majority member of AMH-II and sole director. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.
- (9) The reporting person indirectly holds 6,422,531 Subordinated Units of ARLP though ARH-II, of which he is the sole director and majority shareholder. ARH-II holds all of the outstanding shares of ARH. ARH, in turn holds all of the outstanding shares of SGP. The SGP directly holds 6,422,531 Subordinated Units of ARLP as well as other assets. The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein. The Subordinated Units will convert into Common Units if the issuer meets certain financial tests described in the Agreement of Limited Partnership of the Issuer. IF these tests are met, one-half of the Subordinated Units will automatically convert into Common Units no earlier than September 30, 2003. The balance would be eligible for conversion no earlier than September 30, 2004.
- (10) The transaction was approved by the Managing GP's Compensation Committee on January 26, 2005, effective January 1, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.