

US ENERGY CORP  
Form 4  
September 28, 2005

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LARSEN JOHN L

(Last) (First) (Middle)  
877 NORTH 8TH WEST  
(Street)

RIVERTON, WY 82501

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
US ENERGY CORP [USEG]

3. Date of Earliest Transaction (Month/Day/Year)  
09/26/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
U.S. Energy Common Stock	09/26/2005		J	6,910 <u>A</u> <u>(1)</u>	\$ 0 645,783	<u>D</u> <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u>	
U.S. Energy Common Stock					812,915	<u>I</u> <u>(6)</u> <u>(7)</u> <u>(8)</u>	By Corporation
U.S. Energy Common Stock					137,952	<u>I</u> <u>(9)</u>	By Immediate Family

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U.S.  
Energy  
Common  
Stock

155,811      I <sup>(10)</sup>      By Trust

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)	8. Amount or Number of Shares
Employee Option 1 (Right to Buy)	\$ 2.875					12/04/1998 09/05/2008	U.S. Energy Common Stock	34,782
Employee Option 1a (Right to Buy)	\$ 2					12/04/1998 09/25/2008	U.S. Energy Common Stock	77,718
Employee Option 2 (Right to Buy)	\$ 2.4					01/10/2001 01/09/2011	U.S. Energy Common Stock	184,400
Employee Option 3 (Right to Buy)	\$ 3.9					12/07/2001 12/06/2011	U.S. Energy Common Stock	100,000
Employee Option 4 (Right to Buy)	\$ 2.25					08/08/2002 12/07/2011	U.S. Energy Common Stock	97,000
	\$ 2.46					07/01/2004 06/30/2014		125,000

Employee  
Option 5  
(Right to  
Buy)

U.S.  
Energy  
Common  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LARSEN JOHN L 877 NORTH 8TH WEST RIVERTON, WY 82501		X		

## Signatures

By: Robert Scott Lorimer Attorney  
in Fact

09/28/2005

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Buy out of RMG Minority Shareholder's ownership interest in Pinnacle Gas Resources, Inc.
- (2) Includes 435,923 shares contributed by the Reporting Person and the Reporting Person's Wife into a Family Limited Partnership. (This amount includes 37,500 shares contributed by the Reporting Person issued to him under the USEG 2001 Stock Compensation Plan.)
- (3) Includes 500 shares held in a street name account for the benefit of the Reporting Person.
- (4) Includes 64,160 shares held in an Individual Retirement Account (IRA) for the benefit of the Reporting Person.  
Includes 25,200 shares issued under the Restricted Stock Bonus Plan and 120,000 shares issued under the 1996 Stock Award program all of which are subject to forfeiture by the Reporting Person. Shares issued under the 1996 Stock Award program vest over a 5-year period at the rate of 20% per year. The forfeitable shares issued under both plans are deemed 'earned out' by the Reporting Person: (i) if he is continuously employed by USEG until he retires; (ii) if he becomes disabled; (iii) upon his death, or (iv) if the shares are claimed within three years following the occurrence of (i) (ii) (iii). The treasurer of USEG holds the shares in trust for the benefit of the Reporting Person, while non-employee directors of USEG exercise shared voting and dispositive rights over all forfeitable shares. The acquisitions of the shares by the Reporting Person from both the Bonus Plan and the Award Program are exempt under Rule 16b-3.
- (5) Includes 512,359 shares held by Crested Corp. (Crested), a majority-owned subsidiary of USEG. The Reporting Person is an Officer and/or Director of both USEG and Crested and is not a controlling shareholder and does not have or share investment control over these shares, and therefore does not have a pecuniary interest in the USEG shares held by Crested, under rule 16a-1(a)(2)(iii).
- (6) Includes 175,000 shares held by Sutter Gold Mining Company (SGMC), a subsidiary of USEG. The Reporting Person is an Officer and/or Director of both USEG and SGMC and is not a controlling shareholder and does not have or share investment control over these shares, and therefore does not have a pecuniary interest in the USEG shares held by SGMC, under rule 16a-1(a)(2)(iii).
- (7) Includes 125,556 shares held by Plateau Resources Limited (Plateau), a wholly owned subsidiary of USEG. The Reporting Person is an Officer and/or Director of both USEG and Plateau and is not a controlling shareholder and does not have or share investment control over these shares, and therefore does not have a pecuniary interest in the USEG shares held by Plateau, under rule 16a-1(a)(2)(iii).
- (8) Includes a balance of shares held in ESOP accounts established to benefit members of the Reporting Persons 'Immediate Family', as that term is defined in Rule 16a-1(e), in accordance with Rule 16a-8(b)(2).
- (9) Includes shares held in the ESOP which are not allocated to accounts established for the benefit of specific plan participants. The Reporting Person, as an ESOP Trustee, exercises the voting powers with respect to such unallocated shares.
- (10) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (11)

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**(12)** Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.

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

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