

LARSEN KEITH G
Form 4
January 30, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
LARSEN KEITH G

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction
(Month/Day/Year)
01/27/2006

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

CHAIRMAN & CEO

(Street)

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

RIVERTON, WY 82501

(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)
			Code	V	Amount	(D)	Price
U.S. Energy Common Stock	01/27/2006		M		30,345	A	\$ 2.4 118,826
U.S. Energy Common Stock	01/27/2006		M		34,782	A	\$ 2.875 153,608
U.S. Energy Common Stock	01/27/2006		M		40,650	A	\$ 2.46 194,258

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U.S. Energy Common Stock	01/27/2006	F	47,202	<u>D</u> (1)	\$ 0	147,056	<u>D</u> (2) (3)	
U.S. Energy Common Stock						812,915	<u>I</u> (4) (5) (6)	By Corporation
U.S. Energy Common Stock						7,500	<u>I</u> (7)	By Custodian For Child
U.S. Energy Common Stock						51,015	<u>I</u> (8)	By ESOP
U.S. Energy Common Stock						86,937	<u>I</u> (9)	By Immediate Family

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

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SEC 1474
(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Option 1 (Right to Buy)	\$ 2.875	01/27/2006		M	34,782	12/04/1998	09/05/2008	U.S. Energy Common Stock	34,782
Employee Option 2 (Right to Buy)	\$ 2.4	01/27/2006		M	30,345	01/10/2001	01/09/2011	U.S. Energy Common Stock	30,345

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from the Plan are exempt under Rule 16b-3.

- (4) 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).
- (5) 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).
- (6) 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).
- (7) Includes 7,500 shares indirectly held by the Reporting Person as Custodian for minor children under the Wyoming Uniform Transfers to Minors Act. The Reporting Person disclaims beneficial and pecuniary interest in these shares.
- (8) Includes shares held in the U.S. Energy Corp. Employee Stock Ownership Plan (the 'ESOP') in an account established for the benefit of the Reporting Person.
- (9) 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).
- (10) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (11) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.

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