LARSEN KEITH G

Form 4

January 30, 2006

### FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person \* LARSEN KEITH G

(First)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

US ENERGY CORP [USEG]

(Check all applicable)

(Last)

Energy

Common Stock

01/27/2006

(Middle)

3. Date of Earliest Transaction

\_X\_ Director

10% Owner

877 NORTH 8TH WEST

(Month/Day/Year)

X\_ Officer (give title

\_ Other (specify

01/27/2006

below)

CHAIRMAN & CEO

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

Applicable Line)

\_X\_ Form filed by One Reporting Person

D

6. Individual or Joint/Group Filing(Check

Form filed by More than One Reporting

Person

\$ 2.46 194,258

RIVERTON, WY 82501

(City)	(State)	(Zip) Tak	ole I - Non-	Derivative	Secu	rities Acq	uired, Disposed	of, or Benefic	ially Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit or(A) or Dis (Instr. 3, 4	sposed	of (D)	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	01/27/2006		M	30,345	A	\$ 2.4	118,826	D	
U.S. Energy Common Stock	01/27/2006		M	34,782	A	\$ 2.875	153,608	D	
U.S.									

M

40,650 A

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.									
U.S. Energy Common Stock							86,937	I (9)	By Immediate Family
U.S. Energy Common Stock							51,015	I (8)	By ESOP
U.S. Energy Common Stock							7,500	I <u>(7)</u>	By Custodian For Child
U.S. Energy Common Stock							812,915	I (4) (5) (6)	By Corporation
U.S. Energy Common Stock	01/27/2006	F	47,20	02 <u>C</u>	\$0	)	147,056	D (2) (3)	

# $\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (e.g., puts, calls, warrants, options, convertible securities) \end{tabular}$

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)	TransactionDerivative Code Securities		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee 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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Employee Option 5 (Right to Buy)	\$ 2.46	01/27/2006	M	40,650	07/01/2004	06/30/2014	U.S. Energy Common Stock	40,650
Employee Option 1a (Right to Buy)	\$ 2				12/04/1998	09/25/2008	U.S. Energy Common Stock	52,718
Employee Option 3 (Right to Buy)	\$ 3.9				12/07/2001	12/06/2011	U.S. Energy Common Stock	100,00
Employee Option 4 (Right to Buy)	\$ 2.25				08/08/2002	12/07/2011	U.S. Energy Common Stock	52,556
Employee Option 6 (Right to Buy)	\$ 3.86				10/14/2005	10/13/2015	U.S. Energy Common Stock	100,00

# **Reporting Owners**

Reporting Owner Name / Address	Relationships							
Reporting Owner Plante / Plantess	Director	10% Owner	Officer	Other				
LARSEN KEITH G 877 NORTH 8TH WEST RIVERTON, WY 82501	X		CHAIRMAN & CEO					

# **Signatures**

Person

/s/ LARSEN,
KEITH G

\*\*Signature of Reporting
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) Surrendered shares for payment of exercise of options.
- (2) Includes 138,236 shares held directly by the Reporting Person.
- Includes 8,820 shares issued under the USEG Restricted Stock Bonus Plan which are subject to forfeiture by the Reporting Person. The forfeitable shares issued the plan 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. Distributions to the Reporting Person will not be separately reported. The acquisitions of the shares by the Reporting Person

Reporting Owners 3

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

- 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 controll 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).
- 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 controll 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).
- 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 controll 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.

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.