#### LORIMER R SCOTT

Form 4

October 24, 2006

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL** OMB

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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 * LORIMER R SCOTT			2. Issuer Name and Ticker or Trading Symbol US ENERGY CORP [USEG]				5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First)	(Middle) 3.	3. Date of Earliest Transaction				(Check all applicable)			
877 NORTH 8TH WEST			(Month/Day/Year) 10/20/2006				Director 10% Owner Officer (give title Other (specify below)			
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)				6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting			
RIVERTO	N, WY 82501						Person			
(City)	(State)	(Zip)	Table I - Nor	n-Derivative	Securi	ities Acc	quired, Disposed	of, or Benefic	cially Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Da any (Month/Day/	Oate, if Transact Code (Year) (Instr. 8)		sposed (4) (A) or	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.			Code V	V Amount	(D)	Price	,			
Energy Common Stock	10/20/2006		J <u>(1)</u>	512,359	D	\$ 3.95	300,556	I (2) (3)	By Corporation	
U.S. Energy Common Stock							225,762	D (4) (5)		
U.S. Energy Common Stock							63,747	I (6)	By ESOP	

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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. Transactic Code (Instr. 8)	5. orNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Option 1a (Right to Buy)	\$ 2					12/04/1998	09/25/2008	U.S. Energy Common Stock	40,218
Employee Option 2 (Right to Buy)	\$ 2.4					01/10/2001	01/09/2011	U.S. Energy Common Stock	80,233
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	52,556
Employee Option 5 (Right to Buy)	\$ 2.46					07/01/2004	06/30/2014	U.S. Energy Common Stock	84,350
Employee Option 6 (Right to Buy)	\$ 3.86					10/14/2005	10/13/2015	U.S. Energy Common Stock	100,000

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## **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

LORIMER R SCOTT 877 NORTH 8TH WEST RIVERTON, WY 82501

TREASURER and CFO

## **Signatures**

/s/ LORIMER, ROBERT SCOTT

10/24/2006

\*\*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).
  - Delivered 506,329 shares to Enterra Energy Trust's designee, Rocky Mountain Gas, Inc. pursuant to the February 22, 2005
- (1) Pre-Acquisition Agreement in settlement of a \$2,000,000 obligation related to the sale of the Equity ownership of Pinnacle Gas and 6,030 shares to U.S. Energy Corp. as payment on Intercompany debt.
- Includes 175,000 shares held by Sutter Gold Mining Co., Inc. (SGMI), a subsidiary of USEG. The Reporting Person is an Officer and/or (2) Director of both USEG and SGMI 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 SGMI, 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 (3) 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).
  - Includes 15,120 shares issued under the Restricted Stock Bonus Plan and 60,000 under the 1996 Stock Award program 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. Distributions to the Reporting Person will not be separately reported. 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 150,642 shares held directly by the Reporting Person.
- Includes shares held in the U.S. Energy Corp. Employee Stock Ownership Plan (the 'ESOP') in an account established for the benefit of
- (6) the Reporting Person. Subsequent to the final year end close the number of shares issued to the Reporting Person's ESOP account may be adjusted.
- (7) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (8) 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. 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.

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