

LORIMER R SCOTT  
Form 4  
October 13, 2010

**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 \*  
**LORIMER R SCOTT**

(Last) (First) (Middle)  
**877 N 8TH ST W**  
  
(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)  
**10/11/2010**

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)  
**TREASURER & CFO**

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	10/11/2010		M		80,233	A	\$ 2.4
Common Stock	10/11/2010		M		52,556	A	\$ 2.25
Common Stock	10/11/2010		M		59,350	A	\$ 2.46
Common Stock	10/11/2010		M		49,998	A	\$ 2.52
Common Stock	10/11/2010		F		154,487	D	\$ 5.1

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Common Stock 92,864 I <sup>(3)</sup> By Esop

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 2.4	10/11/2010		M	80,233	01/10/2001	01/09/2011	Common Stock	80,233
Stock Options (Right to Buy)	\$ 2.25	10/11/2010		M	52,556	08/08/2002	12/07/2011	Common Stock	52,556
Stock Options (Right to Buy)	\$ 2.46	10/11/2010		M	59,350	07/01/2004	06/30/2014	Common Stock	59,350
Stock Option (Right to Buy)	\$ 2.52	10/11/2010		M	49,998	09/22/2009	09/21/2018	Common Stock	49,998
Stock Options (Right to Buy)	\$ 3.9					12/07/2001	12/06/2011	Common Stock	100,000
Stock Options (Right to Buy)	\$ 3.86					10/14/2005	10/13/2015	Common Stock	100,000
	\$ 4.97					01/01/2008	07/26/2017		89,640

Stock  
Options  
(Right to  
Buy)

Common  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LORIMER R SCOTT 877 N 8TH ST W RIVERTON, WY 82501	X		TREASURER & CFO	

## Signatures

/s/ Robert Scott  
Lorimer 10/12/2010

--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) Includes shares held directly by the Reporting Person.  
Received 87,650 net shares from the exercise of 242,137 options at various strike prices per share. Sufficient shares were withheld from the option exercises to cover the cost of the exercise, federal income taxes, and all statutory payroll taxes. Shares withheld were valued at the market close price on the date of exercise, October 11, 2010, of \$5.10 per share.
- (3) 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.
- (4) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (5) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (6) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan which vest in three (3) equal annual installments beginning September 22, 2009.
- (7) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan with a 5 year vesting schedule 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.