

LARSEN KEITH G
Form 4
October 24, 2006

FORM 4

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

OMB APPROVAL

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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

(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)
10/20/2006

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)
CHAIRMAN & CEO

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
U.S. Energy Common Stock	10/20/2006		J ⁽¹⁾		512,359	D	\$ 3.95
U.S. Energy Common Stock					300,556	I	
						(2) (3)	By Corporation
U.S. Energy Common Stock					154,556	D	
						(4) (5)	
U.S. Energy Common Stock					7,500	I	
						(6)	By Custodian For Child

U.S. Energy Common Stock	55,623	I <u>(7)</u>	By ESOP
U.S. Energy Common Stock	95,569	I <u>(8)</u>	By Immediate Family

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

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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. D S (I	
				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	52,718
Employee Option 2 (Right to Buy)	\$ 2.4					01/10/2001	01/09/2011	U.S. Energy Common Stock	267,734
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
	\$ 2.46					07/01/2004	06/30/2014		84,350

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(10) 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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