

US ENERGY CORP  
Form 4  
March 11, 2005

**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 \*  
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)  
03/07/2005

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)

PRESIDENT and COO

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        | 03/07/2005                           |                                                    | M                              |                                                                   | 44,444                                                                                        | A                                                        | \$ 2.25                           |
| U.S. Energy Common Stock        | 03/07/2005                           |                                                    | F                              |                                                                   | 30,000                                                                                        | <u>D</u><br>(1)                                          | \$ 0                              |
| U.S. Energy Common Stock        | 03/07/2005                           |                                                    | M                              |                                                                   | 11,321                                                                                        | A                                                        | \$ 2.4                            |
|                                 |                                      |                                                    |                                |                                                                   | 68,859                                                                                        | D                                                        | (2) (3)                           |

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|                                   |         |                                    |                              |
|-----------------------------------|---------|------------------------------------|------------------------------|
| U.S.<br>Energy<br>Common<br>Stock | 812,915 | I <u>(4)</u> <u>(5)</u> <u>(6)</u> | By<br>Corporation            |
| U.S.<br>Energy<br>Common<br>Stock | 7,500   | I <u>(7)</u>                       | By<br>Custodian<br>For Child |
| U.S.<br>Energy<br>Common<br>Stock | 51,015  | I <u>(8)</u>                       | By ESOP                      |
| U.S.<br>Energy<br>Common<br>Stock | 86,937  | I <u>(9)</u>                       | By<br>Immediate<br>Family    |

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<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |     | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) |                    |                                   |                            |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----|---------------------------------------------------------------------|--------------------|-----------------------------------|----------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V                                                                                                            | (A)                                                            | (D) | Date<br>Exercisable                                                 | Expiration<br>Date | Title                             | Amount<br>Number<br>Shares |
| Employee<br>Option 2<br>(Right to<br>Buy)           | \$ 2.4                                                             | 03/07/2005                              |                                                             | M                                    |                                                                                                              | 11,321                                                         |     | 01/10/2001                                                          | 01/09/2011         | U.S.<br>Energy<br>Common<br>Stock | 11,321                     |
| Employee<br>Option 4<br>(Right to<br>Buy)           | \$ 2.25                                                            | 03/07/2005                              |                                                             | M                                    |                                                                                                              | 44,444                                                         |     | 08/08/2002                                                          | 12/07/2011         | U.S.<br>Energy<br>Common<br>Stock | 44,444                     |
| Employee<br>Option 1<br>(Right to<br>Buy)           | \$ 2.88                                                            |                                         |                                                             |                                      |                                                                                                              |                                                                |     | 12/04/1998                                                          | 09/05/2008         | U.S.<br>Energy<br>Common<br>Stock | 34,782                     |

| Option Type                       | Exercise Price | Grant Date | Expiration Date | Underlying Security      | Quantity |
|-----------------------------------|----------------|------------|-----------------|--------------------------|----------|
| 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 | 100,000  |
| Employee Option 5 (Right to Buy)  | \$ 2.46        | 07/01/2004 | 06/30/2014      | U.S. Energy Common Stock | 125,000  |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |                   |       |
|------------------------------------------------------------|---------------|-----------|-------------------|-------|
|                                                            | Director      | 10% Owner | Officer           | Other |
| LARSEN KEITH G<br>877 NORTH 8TH WEST<br>RIVERTON, WY 82501 | X             |           | PRESIDENT and COO |       |

## Signatures

By: Robert Scott Lorimer Attorney in Fact  
Date: 03/11/2005

\_\_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) Surrendered shares for payment of exercise of options.
- (2) Includes 60,039 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 from the Plan are exempt under Rule 16b-3.
- (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 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).
- (4) 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).
- (5)
- (6)

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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 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (11) 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.