

LARSEN KEITH G  
Form 4  
January 12, 2011

**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 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)  
01/12/2011

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    | Code                           | V                                                                 | Amount                                                                                        | Price                                                    |                                                       |
| Common Stock                    | 01/12/2011                           |                                                    | A <sup>(1)</sup>               |                                                                   | 4,722                                                                                         | \$ 6.08                                                  | 89,462 I <sup>(2)</sup> By Esop                       |
| Common Stock                    | 01/12/2011                           |                                                    | J <sup>(3)</sup>               |                                                                   | 11,018                                                                                        | \$ 6.08                                                  | 167,912 I <sup>(4)</sup> By Immediate Family          |
| Common Stock                    |                                      |                                                    |                                |                                                                   |                                                                                               |                                                          | 404,606 D <sup>(5)</sup>                              |
| Common Stock                    |                                      |                                                    |                                |                                                                   |                                                                                               |                                                          | 466,513 I <sup>(6)</sup> Family Trust                 |

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) | 8. P Der Sec (Ins |                            |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|-------------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title             | Amount or Number of Shares |
| Stock Options (Right to Buy)               | \$ 3.9                                                 |                                      |                                                    |                                |                                                                                         | 12/07/2001                                               | 12/06/2011                                                    | Common Stock      | 100,000                    |
| Stock Options (Right to Buy)               | \$ 2.25                                                |                                      |                                                    |                                |                                                                                         | 08/08/2002                                               | 12/07/2011                                                    | Common Stock      | 52,556                     |
| Stock Options (Right to Buy)               | \$ 2.46                                                |                                      |                                                    |                                |                                                                                         | 07/01/2004                                               | 06/30/2014                                                    | Common Stock      | 59,350                     |
| Stock Options (Right to Buy)               | \$ 3.86                                                |                                      |                                                    |                                |                                                                                         | 10/14/2005                                               | 10/13/2015                                                    | Common Stock      | 100,000                    |
| Stock Options (Right to Buy)               | \$ 4.97                                                |                                      |                                                    |                                |                                                                                         | 01/01/2008                                               | 07/26/2017                                                    | Common Stock      | 150,000                    |
| Stock Option (Right to Buy)                | \$ 2.52                                                |                                      |                                                    |                                |                                                                                         | 09/22/2009                                               | 09/21/2018                                                    | Common Stock      | 75,000                     |

## Reporting Owners

| Reporting Owner Name / Address                         | Relationships |           |                |       |
|--------------------------------------------------------|---------------|-----------|----------------|-------|
|                                                        | Director      | 10% Owner | Officer        | Other |
| LARSEN KEITH G<br>877 N 8TH ST W<br>RIVERTON, WY 82501 | X             |           | CHAIRMAN & CEO |       |

## Signatures

/s/ Robert Scott Lorimer,  
attorney-in-fact

01/12/2011

\_\_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) Shares issued in the U.S. Energy Corp. Employee Stock Ownership Plan (the 'ESOP') in an account established for the benefit of the Reporting Person.
- (2) 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.
- (3) Shares issued to be held in ESOP accounts established for the benefit of 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).
- (4) Includes 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).
- (5) Includes shares held directly by the Reporting Person.
- (6) As a result of the settlement of Mr. John L. Larsen's Estate, 466,513 shares of U.S. Energy common stock were put into a Family Trust. Keith Larsen is John L. Larsen's son and serves as the Co-Trustee of a Family Trust.
- (7) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (8) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan with a 5 year vesting schedule and exempt under Rule 16b-3.
- (9) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan which vest in three (3) equal annual installments beginning September 22, 2009.

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.