

US ENERGY CORP  
Form 4  
October 03, 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 \*  
HERRON HAROLD F

(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)  
10/02/2006

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)

SR VICE PRESIDENT

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
U.S. Energy Common Stock	10/02/2006		J		2,500	A (1)	\$ 0
U.S. Energy Common Stock					148,865	D (2) (3) (4)	
U.S. Energy Common Stock					812,915	I (5) (6) (7)	By Corporation
U.S. Energy Common Stock					4,500	I (8)	By Custodian For Child

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U.S. Energy Common Stock	30,306	I <sup>(9)</sup>	By ESOP
U.S. Energy Common Stock	155,811	I <sup>(10)</sup>	By 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. Amount or Number of Shares
Employee Option 1a (Right to Buy)	\$ 2					Date Exercisable: 12/04/1998 Expiration Date: 09/25/2008	U.S. Energy Common Stock	20,109
Employee Option 2 (Right to Buy)	\$ 2.4					01/10/2001 01/09/2011	U.S. Energy Common Stock	27,617
Employee Option 3 (Right to Buy)	\$ 3.9					12/07/2001 12/06/2011	U.S. Energy Common Stock	50,000
Employee Option 4 (Right to Buy)	\$ 2.25					08/08/2002 12/07/2011	U.S. Energy Common Stock	26,278
	\$ 2.46					07/01/2004 06/30/2014		125,000



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- (8) Includes 4,500 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.  
Shares held in the U.S. Energy Corp. Employee Stock Ownership Plan (the 'ESOP') in an account established for the benefit of the
- (9) Reporting Person. Subsequent to the final year end close the number of shares issued to the Reporting Person's ESOP account has been adjusted from shares forfeited by Plan participants.
- (10) Includes shares held in the ESOP which are not allocated to accounts established for the benefit of specific plan participants. The Reporting Person, as an ESOP Trustee, exercises the voting powers with respect to such unallocated shares.
- (11) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (12) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.

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