

YOUNGBAUER STEVEN R
Form 4
October 01, 2008

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 *
YOUNGBAUER STEVEN R

2. Issuer Name and Ticker or Trading Symbol
US ENERGY CORP [USEG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
877 N 8TH ST W

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
09/29/2008

____ Director
 Officer (give title below) _____ Other (specify below)
SECRETARY & GENERAL COUNSEL

RIVERTON, WY 82501

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

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)
				(A) or (D) Price			
Common Stock	10/01/2008		A ⁽¹⁾	5,000 A \$ 0	76,574	D ⁽²⁾	
Common Stock					13,575	I ⁽³⁾	By Esop

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

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- Shares issued to the Reporting Person under the USEG 2001 Stock Compensation Plan. The issuance of these shares is for the funding obligation under the plan for the fourth quarter of the calendar year ending December 31, 2008. The Issuer has agreed under the terms of the Plan to pay all taxes due. The Reporting Person has agreed not to sell these shares to the market or pledge them on obligations until after his (i) retirement; (ii) total disability or (iii) in the case of the death of the Reporting Person his estate may sell the shares of stock.
- (1) Includes shares held directly by the Reporting Person.
 - (2) 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.
 - (3) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan which vest in three (3) equal annual installments beginning September 22, 2009.
 - (4) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.
 - (5) 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.

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