

LORIMER R SCOTT  
Form 4  
January 05, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
LORIMER R SCOTT

(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)  
01/03/2011

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)

TREASURER & CFO

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
Common Stock	01/03/2011		M		100,000	A	\$ 3.9
							584,492
Common Stock	01/03/2011		M		100,000	A	\$ 3.86
							684,492
Common Stock	01/03/2011		M		59,640	A	\$ 4.97
							744,132
Common Stock	01/03/2011		M		2	A	\$ 2.52
							744,134
Common Stock	01/03/2011		F		199,140	D	\$ 6.21
					(1)		544,994

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Common Stock 92,864 I <sup>(3)</sup> By Esop

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Stock Options (Right to Buy)	\$ 3.9	01/03/2011		M	100,000	12/07/2001	12/06/2011	Common Stock	100,000
Stock Options (Right to Buy)	\$ 3.86	01/03/2011		M	100,000	10/14/2005	10/13/2015	Common Stock	100,000
Stock Options (Right to Buy)	\$ 4.97	01/03/2011		M	59,640	01/01/2008	07/26/2017	Common Stock	59,640
Stock Option (Right to Buy)	\$ 2.52	01/03/2011		M	2	09/22/2009	09/21/2018	Common Stock	2

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LORIMER R SCOTT 877 N 8TH ST W RIVERTON, WY 82501	X		TREASURER & CFO	

## Signatures

/s/ Robert Scott  
Lorimer

01/04/2011

\_\_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).

- Received 60,502 net shares from the exercise of 259,642 options at strike prices ranging from \$2.52 to \$4.97 per share. Sufficient shares
- (1) were withheld from the option exercise to cover the cost of the exercise, federal income taxes, and all statutory payroll taxes. Shares withheld were valued at the market close price on the date of exercise, January 3, 2011, of \$6.21 per share.
  - (2) Includes shares held directly by the Reporting Person.
  - (3) 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.
  - (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.
  - (6) 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.

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