

FRASER H RUSSELL  
Form 4  
February 15, 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 \*  
FRASER H RUSSELL

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)  
02/14/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 02/14/2011                           |  | M                              |   | 10,000  | A  | \$ 3.9                            |
| Common Stock                    | 02/14/2011                           |  | D <sup>(4)</sup>               |   | 10,000  | D  | \$ 6.5                            |
| Common Stock                    |                                      |  |                                |   |   |  | 1,300                             |
|                                 |                                      |  |                                |   |   | I <sup>(5)</sup>   | By Spouse                         |

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

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SEC 1474  
(9-02)

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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) | Amount or Number of Shares |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      | Amount or Number of Shares |
| Stock Options (Right to Buy)               | \$ 3.9   | 02/14/2011                           |  | M                              | 10,000  | 12/07/2001 12/07/2011                                    | Common Stock  | 10,000                     |                            |
| Stock Options (Right to Buy)               | \$ 2.25  |                                      |  |                                |   | 08/08/2002 12/06/2011                                    | Common Stock  | 10,000                     |                            |
| Stock Options (Right to Buy)               | \$ 2.46  |                                      |  |                                |   | 07/01/2005 06/30/2014                                    | Common Stock  | 50,000                     |                            |
| Stock Options (Right to Buy)               | \$ 3.86  |                                      |  |                                |   | 10/14/2005 10/13/2015                                    | Common Stock  | 25,000                     |                            |
| Director/Option(rtb)                       | \$ 2.52  |                                      |  |                                |   | 09/22/2009 09/21/2018                                    | U.S. Energy Common Stock                                      | 30,000                     |                            |

## Reporting Owners

| Reporting Owner Name / Address                           | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| FRASER H RUSSELL<br>877 N 8TH ST W<br>RIVERTON, WY 82501 | X             |           |         |       |

## Signatures

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

02/15/2011

\*\*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) Includes shares held directly by the Reporting Person.
- (2) Includes 1,000 shares held in joint tenancy with the Reporting Person's wife.
- (3) Includes 4,000 shares held in an Individual Retirement Account (IRA) for the benefit of the Reporting Person.
- (4) Options purchased and sold under the Reporting Person's 10(b) 5-1 Plan dated November 15, 2010.
- (5) Includes 1,300 shares held in an IRA established for the benefit of the Reporting Person's wife. The Reporting Person disclaims any beneficial interest in these shares.
- (6) Options issued to Reporting Person as a member of the Issuer's Board of Directors.
- (7) Stock options granted under the Issuer's 2008 SOP for the Independent Directors and Advisory Board Members granted on June 25, 2010 which vest in three (3) equal annual installments beginning June 25, 2011.

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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