

US ENERGY CORP  
Form 4  
September 28, 2005

**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

(Last) (First) (Middle)

DOUBLE DIAMOND X  
RANCH, 3453 SOUTHFORK RD

(Street)

CODY, WY 82414

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/26/2005

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)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| U.S. Energy Common Stock        | 09/26/2005                           |  | A                              |   | 875   | A<br>(1)   | \$ 0                              |
| U.S. Energy Common Stock        |                                      |  |                                |   | 1,300   | I (5)  | 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) |                          |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                    | Amount or Number of Shares |
| Director Option 1 (Right to Buy)           | \$ 2.875   |                                      |  |                                |   | 12/04/1998   | 09/24/2008  | U.S. Energy Common Stock | 12,500                     |
| Director Option 2 (Right to Buy)           | \$ 2.4   |                                      |  |                                |   | 01/10/2001   | 01/09/2011  | U.S. Energy Common Stock | 10,000                     |
| Director Option 3 (Right to Buy)           | \$ 3.9   |                                      |  |                                |   | 12/07/2001   | 12/07/2011  | U.S. Energy Common Stock | 20,000                     |
| Director Option 4 (Right to Buy)           | \$ 2.25  |                                      |  |                                |   | 08/08/2002   | 12/06/2011  | U.S. Energy Common Stock | 10,000                     |
| Director/Option(RTB)                       | \$ 2.46  |                                      |  |                                |   | 07/01/2005   | 06/30/2014  | U.S. Energy Common Stock | 50,000                     |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| FRASER H RUSSELL<br>DOUBLE DIAMOND X RANCH<br>3453 SOUTHFORK RD<br>CODY, WY 82414 | X             |           |         |       |

## Signatures

By: Robert Scott Lorimer Attorney  
in Fact

09/28/2005

\_\_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) Buy out of RMG Minority Shareholder's ownership interest in Pinnacle Gas Resources, Inc.
  - (2) Includes 14,731 shares held directly by the Reporting Person.
  - (3) Includes 1,000 shares held in joint tenancy with the Reporting Person's wife.
  - (4) Includes 4,000 shares held in an Individual Retirement Account (IRA) for the benefit of the Reporting Person.
  - (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.

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.