

SVILAR DANIEL P  
Form 4  
October 24, 2006

**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 \*  
SVILAR DANIEL P

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 NORTH 8TH WEST

3. Date of Earliest Transaction (Month/Day/Year)  
10/20/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
SECRETARY/IN-HOUSE COUNSEL

(Street)

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

RIVERTON, WY 82501

(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 Indirect Beneficial Ownership (Instr. 4)       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |
| U.S. Energy Common Stock        | 10/20/2006                           |  | J <sup>(1)</sup>               |   | 512,359   | D  | \$ 3.95   |
| U.S. Energy Common Stock        |                                      |  |                                |   | 258,313   | D  | <sup>(4)</sup> <sup>(5)</sup> <sup>(6)</sup> <sup>(7)</sup> |
| U.S. Energy Common Stock        |                                      |  |                                |   | 1,000   | I  | <sup>(8)</sup>  |
|                                 |                                      |  |                                |   |   |  | By Corporation  |
|                                 |                                      |  |                                |   |   |  | By Custodian For Child                                      |

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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 1 (Right to Buy)           | \$ 2.875   |                                      |  |                                |   | 12/04/1998 09/05/2008                                    | U.S. Energy Common Stock                                      | 34,782                        |
| Employee Option 1a (Right to Buy)          | \$ 2   |                                      |  |                                |   | 12/04/1998 09/25/2008                                    | U.S. Energy Common Stock                                      | 40,218                        |
| Employee Option 2 (Right to Buy)           | \$ 2.4   |                                      |  |                                |   | 01/10/2001 01/09/2011                                    | U.S. Energy Common Stock                                      | 110,691                       |
| Employee Option 3 (Right to Buy)           | \$ 3.9   |                                      |  |                                |   | 12/07/2001 12/06/2011                                    | U.S. Energy Common Stock                                      | 100,000                       |
| Employee Option 4 (Right to Buy)           | \$ 2.25  |                                      |  |                                |   | 08/08/2002 12/07/2011                                    | U.S. Energy Common Stock                                      | 52,556                        |
| Employee Option 5 (Right to Buy)           | \$ 2.46  |                                      |  |                                |   | 07/01/2004 06/30/2014                                    | U.S. Energy Common Stock                                      | 125,000                       |
| Employee Option 6                          | \$ 3.86  |                                      |  |                                |   | 10/14/2005 10/13/2015                                    | U.S. Energy   | 100,000                       |

(Right to  
Buy)Common  
Stock

## Reporting Owners

| Reporting Owner Name / Address                              | Relationships |           |                            | Other |
|---|---------------|-----------|----------------------------|-------|
|   | Director      | 10% Owner | Officer                    |       |
| SVILAR DANIEL P<br>877 NORTH 8TH WEST<br>RIVERTON, WY 82501 |               |           | SECRETARY/IN-HOUSE COUNSEL |       |

## Signatures

By: Robert Scott Lorimer Attorney  
in Fact

10/24/2006

\_\_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) Delivered 506,329 shares to Enterra Energy Trust's designee, Rocky Mountain Gas, Inc. pursuant to the February 22, 2005 Pre-Acquisition Agreement in settlement of a \$2,000,000 obligation related to the sale of the Equity ownership of Pinnacle Gas and 6,030 shares to U.S. Energy Corp. as payment on Intercompany debt.
  - (2) Includes 175,000 shares held by Sutter Gold Mining Co., Inc. (SGMI), a subsidiary of USEG. The Reporting Person is an Officer and/or Director of both USEG and SGMI and is not a controlling shareholder and does not have or share investment control over these shares, and therefore does not have a pecuniary interest in the USEG shares held by SGMI, under rule 16a-1(a)(2)(iii).
  - (3) Includes 125,556 shares held by Plateau Resources Limited (Plateau), a wholly owned subsidiary of USEG. The Reporting Person is an Officer and/or Director of both USEG and Plateau and is not a controlling shareholder and does not have or share investment control over these shares, and therefore does not have a pecuniary interest in the USEG shares held by Plateau, under rule 16a-1(a)(2)(iii).
  - (4) Includes 630 shares held in a street name account for the benefit of the Reporting Person.
  - (5) Includes 22,680 shares issued under the USEG Restricted Stock Bonus Plan and 90,000 shares issued under the 1996 Stock Award program which are subject to forfeiture by the Reporting Person. Shares issued under the 1996 Stock Award program vest over a 5-year period at the rate of 20% per year. The forfeitable shares issued under both plans are deemed 'earned out' by the Reporting Person: (i) if he is continuously employed by USEG until he retires; (ii) if he becomes disabled; (iii) upon his death, or (iv) if the shares are claimed within three years following the occurrence of (i) (ii) (iii). The treasurer of USEG holds the shares in trust for the benefit of the Reporting Person, while non-employee directors of USEG exercise shared voting and dispositive rights over all forfeitable shares. Distributions to the Reporting Person will not be separately reported. The acquisitions of the shares by the Reporting Person from both the Bonus Plan and the Award Program are exempt under Rule 16b
  - (6) Includes 134,903 shares held directly by the Reporting Person.
  - (7) Includes 10,100 shares held in an Individual Retirement Account (IRA) for the benefit of the Reporting Person.
  - (8) Includes 1,000 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.
  - (9) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
  - (10) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.

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