

LARSEN KEITH G  
Form 4  
November 25, 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 \*  
LARSEN KEITH G

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)  
11/25/2008

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

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	11/25/2008		A	466,513	A 11 466,513	I	Family Trust
Common Stock					264,335	D (2)	
Common Stock					65,853	I (3)	By Esop
Common Stock					120,700	I (4)	By Immediate Family

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

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SEC 1474  
(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. P. Der. Sec. (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 2.4					01/10/2001	01/09/2011	Common Stock	267,734
Stock Options (Right to Buy)	\$ 3.9					12/07/2001	12/06/2011	Common Stock	100,000
Stock Options (Right to Buy)	\$ 2.25					08/08/2002	12/07/2011	Common Stock	52,556
Stock Options (Right to Buy)	\$ 2.46					07/01/2004	06/30/2014	Common Stock	59,350
Stock Options (Right to Buy)	\$ 3.86					10/14/2005	10/13/2015	Common Stock	100,000
Stock Options (Right to Buy)	\$ 4.97					01/01/2008	07/26/2017	Common Stock	150,000
Stock Option (Right to	\$ 2.52					09/22/2009	09/21/2018	Common Stock	75,000

Buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LARSEN KEITH G 877 N 8TH ST W RIVERTON, WY 82501	X		CHAIRMAN & CEO	

## Signatures

/s/ Keith G.  
Larsen

11/25/2008

\*\*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) As a result of the settlement of Mr. John L. Larsen's Estate, 466,513 shares of U.S. Energy common stock were put into a Family Trust. Keith Larsen is John L. Larsen's son and serves as the Co-Trustee of a Family Trust.
- (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 shares held in ESOP accounts established to benefit members of the Reporting Persons 'Immediate Family', as that term is defined in Rule 16a-1(e), in accordance with Rule 16a-8(b)(2).
- (5) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (6) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.
- (7) Stock options granted under the Issuer's 2001 Incentive Stock Option Plan with a 5 year vesting schedule and exempt under Rule 16b-3.
- (8) 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. 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.