DENBURY RESOURCES INC

Form 4 May 24, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

if no longer subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

SINCLAIR JAMES H Issuer Symbol DENBURY RESOURCES INC (Check all applicable) [DNR] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner X_ Officer (give title Other (specify (Month/Day/Year) below) 5100 TENNYSON PARKWAY 05/23/2006 V.P. of Exploration **SUITE 3000**

2. Issuer Name and Ticker or Trading

(State)

1. Name and Address of Reporting Person *

(Street) 4. If Amendment, Date Original

(Zin)

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

5. Relationship of Reporting Person(s) to

OMB APPROVAL

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

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Number:

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response...

X Form filed by One Reporting Person Form filed by More than One Reporting

PLANO, TX 75024

(City)

(City)	(State)	Tabl	le I - Non-D	erivative (Securi	ties Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit on(A) or Dis (Instr. 3, 4)	sposed	of (D)	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	05/23/2006		M	12,000	A	\$ 1.99	173,714	D	
Common Stock	05/23/2006		S	12,000	D	\$ 30.01	161,714	D	

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 iorDerivative 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
Stock Option	\$ 1.99	05/23/2006		M		12,000	01/03/2004	01/03/2010	Common Stock	12,000

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SINCLAIR JAMES H 5100 TENNYSON PARKWAY SUITE 3000 PLANO, TX 75024

V.P. of Exploration

Signatures

Phil Rykhoek - Per confirming statement 05/24/2006

**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).

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.

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