

US ENERGY CORP  
Form 4  
July 18, 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

(Last) (First) (Middle)  
877 NORTH 8TH WEST  
(Street)

RIVERTON, WY 82501

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/17/2006

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)  
SECRETARY/IN-HOUSE COUNSEL

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: Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V   | Amount  | (D)  | Price  |
| U.S. Energy Common Stock        | 07/17/2006                           |  | M                              |   | 44,444  | A  | \$ 2.25 277,204  |
| U.S. Energy Common Stock        | 07/17/2006                           |  | M                              |   | 11,209  | A  | \$ 2.4 288,413   |
| U.S. Energy Common Stock        | 07/17/2006                           |  | F                              |   | 30,000  | D  | \$ 4.23 258,413  |

D (1) (2) (3)  
(4)

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|                                   |         |  |                              |
|-----------------------------------|---------|--|------------------------------|
| U.S.<br>Energy<br>Common<br>Stock | 817,915 | I <u>(5)</u> <u>(6)</u> <u>(7)</u><br><u>(8)</u> | By<br>Corporation            |
| U.S.<br>Energy<br>Common<br>Stock | 1,000   | I <u>(9)</u>                                     | By<br>Custodian<br>For Child |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|---------|--|-----------------|---|
|  |  |                                      |  |                                | V   | (A) (D) | Date Exercisable   | Expiration Date |   |
| Employee Option 2 (Right to Buy)           | \$ 2.4   | 07/17/2006                           |  | M                              |   | 11,209  | 01/10/2001   | 01/09/2011      | U.S. Energy Common Stock 11,209                               |
| Employee Option 4 (Right to Buy)           | \$ 2.25  | 07/17/2006                           |  | M                              |   | 44,444  | 08/08/2002   | 12/07/2011      | U.S. Energy Common Stock 44,444                               |
| 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 3 (Right to Buy)           | \$ 3.9   |                                      |  |                                |   |         | 12/07/2001   | 12/06/2011      | U.S. Energy Common Stock 100,000                              |



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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.

(10) Includes stock options granted under the Issuer's 2001 Incentive Stock Option Plan and exempt under Rule 16b-3.

(11) Includes stock options granted under the Issuer's 1998 Incentive Stock Option Plan and exempt under Rule 16b-3.

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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