

US ENERGY CORP  
Form 4  
September 26, 2008

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
FRASER H RUSSELL

(Last) (First) (Middle)  
877 N 8TH ST W  
(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)  
09/26/2008

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 Indirect Ownership (Instr. 4)
Common Stock				(A) or (D) Price	21,363	D (1) (2) (3)	
Common Stock					1,300	I (4)	By Spouse

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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
Stock Options (Right to Buy)	\$ 2.88	09/26/2008		J <sup>(5)</sup>	12,500	12/04/1998	09/25/2008	Common Stock	12,500
Stock Options (Right to Buy)	\$ 2.46					07/01/2005	06/30/2014	Common Stock	50,000
Stock Options (Right to Buy)	\$ 3.86					10/14/2005	10/13/2015	Common Stock	25,000
Stock Options (Right to Buy)	\$ 3.9					12/07/2001	12/07/2011	Common Stock	20,000
Stock Options (Right to Buy)	\$ 2.4					01/01/2001	01/09/2011	Common Stock	10,000
Stock Options (Right to Buy)	\$ 2.25					08/08/2002	12/06/2011	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FRASER H RUSSELL 877 N 8TH ST W RIVERTON, WY 82501	X			

## Signatures

/s/ Robert Scott Lorimer,  
attorney-in-fact

09/26/2008

\_\_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) Includes 1,000 shares held in joint tenancy with the Reporting Person's wife.
- (2) Includes 4,000 shares held in an Individual Retirement Account (IRA) for the benefit of the Reporting Person.
- (3) Includes shares held directly by the Reporting Person.
- (4) 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.
- (5) Options expired 09/25/2008
- (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.