

US ENERGY CORP
Form 10-K/A
April 26, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
[Part III Information Only]**

(Mark One)

Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year Ended December 31, 2005

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number 000-6814

U.S. ENERGY CORP.

(Exact Name of Company as Specified in its Charter)

Wyoming
(State or other jurisdiction of
incorporation or organization)

83-0205516
(I.R.S. Employer
Identification No.)

877 North 8th West, Riverton, WY
(Address of principal executive offices)

82501
(Zip Code)

Registrant's telephone number, including area
code:

(307) 856-9271

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$0.01 par value

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO X

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and ask price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. \$55,785,600.

Class	Outstanding at March 31, 2006
Common stock, \$.01 par value	19,520,430 Shares

Documents incorporated by reference: None.

PART III**ITEM 10. Directors and Executive officers of the Registrant.**

The directors are divided into three classes, each consisting of two persons so far as practicable, to be elected until the third succeeding annual meeting and until their successors have been duly elected or appointed and qualified or until death, resignation or removal. The terms of directors Keith G. Larsen and John L. Larsen expire at the June 2006 meeting and they have been nominated for re-election. Current directors are:

Name, age and designation	Other positions with the company	Director Since	Meeting at which term will expire
John L. Larsen (75)	Senior Vice President and Chairman Emeritus	1966	2006 Annual Meeting
Keith G. Larsen (47)	CEO and Chairman	1997	2006 Annual Meeting
Harold F. Herron (53) (continuing director)	Senior Vice President	1989	2007 Annual Meeting
Don C. Anderson (78) (nominee)		1990	2008 Annual Meeting
Michael H. Feinstein (70) (nominee)		2004	2008 Annual Meeting
H. Russell Fraser (64) (nominee)		1996	2008 Annual Meeting
Mike Anderson (54) (continuing director)		2003	2007 Annual Meeting

It is recommended that the shareholders vote for the election of Keith G. Larsen and John L. Larsen.

Executive officers are elected by the board of directors at the annual directors' meeting, which follows each Annual Shareholders' Meeting, to serve until the officer's successor has been duly elected and qualified, or until death, resignation or removal.

Family Relationships.

Keith G. Larsen, a director, CEO, Chairman, and Mark J. Larsen, formerly President of Rocky Mountain Gas, Inc. and presently President U.S. Energy Corp., and President of U.S. Moly Corp., are sons of John L. Larsen, Chairman Emeritus and a Senior Vice President, and a principal shareholder. There are no other family relationships among the executive officers or directors of the Company.

Business Experience and Other Directorships of Directors and Nominees, and Officers.

John L. Larsen, age 75, has been principally employed as an officer and director of the Company and Crested Corp. for more than the past five years. Mr. Larsen served as the Company's Chairman of the Board and Chief Executive Officer until August 23, 2005. Mr. Larsen became Chairman Emeritus of the Board, a Senior Vice President, and Chairman of the Executive Committee, on September 30, 2005. He is also the Co-Chairman and a director of Crested, an affiliate of the Company. Crested has is a public company. Mr. Larsen is Chief Executive Officer and Chairman of the board of directors of Plateau Resources Limited, Inc. and a director of Sutter Gold Mining Inc., and he was a director of Rocky Mountain Gas, Inc. (until its sale on June 1, 2005), and is a director of Yellow Stone Fuels Inc. Mr. Larsen is a director of U.S. Uranium Ltd. and U.S. Moly Corp.

Keith G. Larsen, age 47, has been principally employed by the Company and Crested for more than the past five years. He has been a director of the Company since November 25, 1997, and was its President and Chief Operating Officer from that date until August 23, 2005, when he became Chairman of the Board and Chief Executive Officer. Mr. Larsen also was the Chief Executive Officer and a director of Rocky Mountain Gas, Inc. (until its sale on June 1, 2005) and is a director of Crested. Mr. Larsen is a director of U.S. Uranium Ltd., and U.S. Moly Corp.

Mark J. Larsen, age 43, was the President of RMG until it was sold on June 1, 2005. Mr. Larsen became President and Chief Operating Officer of the Company on August 23, 2005. He also is the President of U.S. Moly Corp. Mr. Larsen graduated from the University of Wyoming with a B.S. Degree in Business Management.

Harold F. Herron, age 53, has been the Company's Vice-President since January 1989, and now is Senior Vice President. Mr. Herron is President and a director of Crested Corp, and Plateau Resources Limited, Inc., Chief Executive Officer and a director of Sutter Gold Mining Inc., and he was a director of Rocky Mountain Gas, Inc. until its sale on June 1, 2005. He is the President of U.S. Uranium Ltd. and a director of U.S. Moly Corp. Mr. Herron received an M.B.A. degree from the University of Wyoming after receiving a B.S. degree in Business Administration from the University of Nebraska at Omaha.

Daniel P. Svilar, age 77, has been General Counsel for USE and Crested for more than the past five years. He also is Secretary and a director of Crested, and Secretary of USE. He serves as General Counsel to, and as officers of the companies, at the will of the board of directors. There are no understandings between Mr. Svilar and any other person pursuant to which he was named as officer or General Counsel. Mr. Svilar received a B.S. degree in Engineering from New Mexico State University and a J.D. from the University of Wyoming in 1958. He has no family relationships with any of the other executive officers or directors of USE or Crested. During the past five years, Mr. Svilar has not been involved in any Reg. S-K Item 401(f) proceeding.

Robert Scott Lorimer, age 55, has been Chief Accounting Officer, Chief Financial Officer, Vice President of Finance and Treasurer for both USE and Crested for more than the past five years. Mr. Lorimer also has been their Vice President Finance since April 1998. Mr. Lorimer received a B.S. in Finance, Accounting, Economics and German from Brigham Young University and worked toward a Masters in Accountancy at the University of Nebraska. He serves at the will of the board of directors. There are no understandings between Mr. Lorimer and any other person, pursuant to which he was named as an officer, and he has no family relationship with any of the other executive officers or directors of USE or Crested.

Don C. Anderson, age 78, has been a Company director since May 1990. From January 1990 until mid-1993, Mr. Anderson was the Manager of the Geology Department for the Company. Mr. Anderson was Manager of Exploration and Development for Pathfinder Mines Corporation, a major domestic uranium mining and milling corporation, from 1976 until his retirement in 1988. Previously, he was Mine Manager for Pathfinder's predecessor, Utah International, Inc., from 1965 to 1976. He received a B.S. degree in geology from Brigham Young University.

Michael H. Feinstein, age 70, has been director of the Company since September 2004. Mr. Feinstein is a graduate in 1957 of Wharton School, University of Pennsylvania. He became a CPA in the state of Colorado in 1960. Mr. Feinstein is currently a financial and business consultant and the Director of Taxation for a CPA firm in Scottsdale, AZ, which provides accounting and tax services to small businesses. He has over 40 years of accounting, auditing, and business experience including 25 years of experience as an employee and subsequently a partner for Deloitte & Touche and its predecessors. He has served as a director, CFO and CEO of numerous public and private companies.

H. Russell Fraser, age 64, has been a director of the Company since 1996 and a director of Rocky Mountain Gas, Inc. since 1999. He is past President and director of American Capital, Inc., the first "A" rated financial guarantee company in New York, New York. Mr. Fraser was chairman of the board and chief executive officer of Fitch Investors Services, L.P. for more than the past five years. Fitch Investors Services, L.P., New York, New York, is a nationwide stock and bond rating and information distribution company. From 1980-1989, Mr. Fraser served as president and chief executive officer of AMBAC, the oldest municipal bond issuer in the United States. In 2005, Mr. Fraser became a director of Ascend Services Limited, a privately held financial guarantee company based in the Cayman Islands.

Before joining AMBAC, Mr. Fraser was senior vice president and director of fixed-income research at PaineWebber, Inc. While a member of the board of directors at PaineWebber, Mr. Fraser participated in both the corporate and public finance departments and headed PaineWebber's trading and sales for all corporate bond products. Previously, he managed corporate ratings at Standard & Poor's, supervising research analysis of corporate bonds, preferred stock, and commercial paper. Mr. Fraser holds a B.S. in finance and economics from the University of Arizona. He is a member of the Municipal Analysts Group of New York and founder of the Fixed Income Analysts Society.

In August 2004, Mr. Fraser and his wife, and two family companies, filed petitions for reorganization under Chapter 11 of the Bankruptcy Code, due to the impact of health problems in 2004.

Michael Thomas Anderson, age 54, was appointed to the board of directors on May 23, 2003. Mr. Anderson has run his own accounting and consulting practice since 1993. Prior to that, he was chief financial officer for an operating unit of a Fortune 500 company for eight years. From 1977 to 1985, Mr. Anderson worked in public accounting. He is a member of the AICPA and The Wyoming Society of CPAs. Mr. Anderson holds a B.S. degree in accounting from Brigham Young University.

Filing of Reports Under Section 16(a)

The Company has reviewed reports on Forms 3, 4 and 5 of ownership of common stock in the Company, which have been filed with the SEC in 2004 under Section 16(a) of the Exchange Act in 2003, and has received written representations from the filing persons. Based solely upon review of the reports and representations, six officers reported transactions late: Harold F. Herron (1); Keith G. Larsen (2); John L. Larsen (2); Robert Scott Lorimer (2); Mark J. Larsen (1); and Daniel P. Svilar (1). We know of no other late filings.

ITEM 11. Executive Compensation.

Under a Management Agreement dated August 1, 1981, USE and Crested share certain general and administrative expenses, including compensation of the officers and directors of the companies (but excluding directors' fees) which have been paid through the USECC Joint Venture ("USECC"). Substantially all the work efforts of the officers of USE and Crested are devoted to the business of both companies and to their subsidiary companies.

All personnel of USECC are employees of USE, in order to utilize the Company's ESOP as an employee benefit mechanism. The Company charges USECC for the direct and indirect costs of its employees for time spent on USECC matters, and USECC charges one-half of that amount to Crested and the Company.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid to the six executive officers of USE in the three fiscal years ended December 31, 2005. The table includes compensation paid for service by such persons to subsidiaries.

SUMMARY COMPENSATION TABLE

(a)	(b)	<u>Annual Compensation</u>		(e)	<u>Long Term Compensation</u>			(i)
		(c)	(d)		<u>Awards</u>	(g)	<u>Payouts</u>	
Name and Current Principal Position	Year	Salary(\$)	Bonus(\$)	Other Annual Compensation (\$)	Restricted Stock Award(s) (\$)	Options ⁽⁶⁾ or SARs(#)	LPIT Pay- outs (\$)	All Other Compensation (\$) ⁽⁷⁾
John L. Larsen	2005	\$ 162,300	\$ 27,800 ⁽¹⁾	\$ 10,300	\$ 42,400 ⁽⁴⁾	100,000	\$ -0-	\$ 21,400
Sr. Vice President	2004	176,500	14,700 ⁽²⁾	-0-	25,700 ⁽⁴⁾	125,000	\$ -0-	24,300
	2003	174,500	25,300 ⁽³⁾	-0-	117,200 ⁽⁵⁾	-0-	-0-	22,700
Keith G. Larsen	2005	\$ 173,300	\$ 48,100 ⁽¹⁾	\$ 5,200	\$ 42,400 ⁽⁴⁾	100,000	\$ -0-	\$ 21,400
CEO	2004	162,000						