

US ENERGY CORP
Form SC 13G
March 10, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Schedule 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT

TO RULES 13d-1(b), (c) and (d) AND AMENDMENTS THERETO FILED

PURSUANT TO RULE 13d-2(b)

(Amendment No. ____)¹

U.S. ENERGY CORP.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

911805109

(CUSIP Number)

February 28, 2005

Edgar Filing: US ENERGY CORP - Form SC 13G

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

THE K2 PRINCIPAL FUND, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(A)

(B)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

ONTARIO, CANADA

5 SOLE VOTING POWER

NUMBER OF 836,703

SHARES **6** SHARED VOTING POWER

BENEFICIALLY

OWNED BY - 0 -

EACH **7** SOLE DISPOSITIVE POWER

REPORTING

PERSON 836,703

WITH **8** SHARED DISPOSITIVE POWER

- 0 -

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

836,703

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

K2 GENPAR, INC.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(A)

(B)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

ONTARIO, CANADA

5 SOLE VOTING POWER

NUMBER OF 836,703

SHARES **6 SHARED VOTING POWER**

BENEFICIALLY

OWNED BY - 0 -

EACH **7 SOLE DISPOSITIVE POWER**

REPORTING

PERSON 836,703

WITH **8 SHARED DISPOSITIVE POWER**

- 0 -

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

836,703

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

SHAWN KIMEL

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(A)

(B)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

ONTARIO, CANADA

5 SOLE VOTING POWER

NUMBER OF 836,703

SHARES **6 SHARED VOTING POWER**

BENEFICIALLY

OWNED BY - 0 -

EACH **7 SOLE DISPOSITIVE POWER**

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836,703

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.4%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

ITEM 1 (a). NAME OF ISSUER.

The name of the Issuer is U.S. ENERGY CORP. (the Issuer).

ITEM 1 (b). ADDRESS OF ISSUER S PRINCIPAL EXECUTIVE OFFICES.

The Issuer s principal executive offices are located at 877 North 8 West, Riverton, Wyoming 82501.

ITEM 2 (a). NAME OF PERSON FILING.

This statement is being filed on behalf of each of the following persons (the Reporting Persons): The K2 Principal Fund, L.P., K2 GenPar, Inc. and Shawn Kimel.

ITEM 2 (b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE.

The address of the principal business office of each of the Reporting Persons is 444 Adelaide West, Toronto, Ontario, M5V 1S7.

ITEM 2 (c). CITIZENSHIP.

The K2 Principal Fund, L.P. is an Ontario limited partnership. K2 GenPar, Inc. is an Ontario corporation. Shawn Kimel is a citizen of Canada.

ITEM 2 (d). TITLE OF CLASS OF SECURITIES.

This statement relates to shares of the Issuer s Common Stock, \$0.01 par value per share (the Common Stock) of the Issuer.

ITEM 2 (e). CUSIP NUMBER.

The CUSIP number for the shares of Common Stock is 911805109.

ITEM 3. NOT APPLICABLE.

ITEM 4. OWNERSHIP.

Pursuant to Rule 13d-3, at the close of business on March 9, 2005, each of the Reporting Persons may be deemed to be the beneficial owner of 836,703 shares of the Common Stock, which constitute approximately 5.4% of the 15,442,263 shares of the Common Stock outstanding at November 15, 2004, according to the Issuer's Quarterly Report on Form 10-Q filed on November 15, 2004. Each of the Reporting Persons has the sole power to vote or to direct the vote of 836,703 shares of Common Stock; each of the Reporting Persons has the sole power to dispose or to direct the disposition of 836,703 shares of the Common Stock.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

Not applicable.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not applicable.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

See Items 1-4.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATIONS.

By signing below each of the Reporting Persons certifies that, to the best of its or his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of the knowledge and belief of the undersigned Reporting Persons, each of the Reporting Persons certifies that the information set forth in this statement is true, complete and correct.

Pursuant to Rule 13d-1(k)(1)(ii) of Regulation 13D-G of the General Rules and Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the undersigned Reporting Persons agree that the attached statement is filed on behalf of each of them in the capacities set forth below.

Dated: March 10, 2005

K2 PRINCIPAL FUND, L.P.

By: K2 GENPAR, INC.

Its: General Partner

/s/ Shawn Kimel

Shawn Kimel,
President and Secretary

K2 GENPAR, INC., an Ontario corporation

By: */s/ Shawn Kimel*

Shawn Kimel, President

/s/ Shawn Kimel

Shawn Kimel