

USG CORP
Form 4
May 11, 2006

FORM 4

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

OMB APPROVAL

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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 *
OWEN CLARENCE B

(Last) (First) (Middle)

USG CORP, 125 S FRANKLIN STREET DEPT 188

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
USG CORP [usg]

3. Date of Earliest Transaction (Month/Day/Year)
05/11/2006

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)
Vice President

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 Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common stock	05/11/2006		M	6,000 A \$ 48.42	13,100	D	
Common stock	05/11/2006		S	6,000 D \$ 109.381	7,100	D	
Common stock	05/11/2006		M	3,000 A \$ 50.87	10,100	D	
Common stock	05/11/2006		S	3,000 D \$ 109.381	7,100	D	
Common stock	05/11/2006		M	3,000 A \$ 46.14	10,100	D	

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Common stock 05/11/2006 S 3,000 D \$ 109.381 7,100 D

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)	Amount or Number of Shares	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		
Employee Stock Option (right to buy)	\$ 48.42	05/11/2006		M	6,000	01/02/2000 01/02/2008	Common stock	6,000	
Employee Stock Option (right to buy)	\$ 50.87	05/11/2006		M	3,000	01/02/2001 01/02/2009	Common stock	3,000	
Employee Stock Option (right to buy)	\$ 46.14	05/11/2006		M	3,000	01/02/2002 01/02/2010	Common stock	3,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OWEN CLARENCE B USG CORP 125 S FRANKLIN STREET DEPT 188			Vice President	

CHICAGO, IL 60606

Signatures

Robert J. Burrell,
Attorney-in-Fact

05/11/2006

__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.

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