

FORM 3

INITIAL STATEMENT OF 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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person

NBT Bancorp Inc.

(Last) (First) (Middle)

52 South Broad Street

(Street)

Norwich New York 13815

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)

August 16, 1999

3. IRS or Social Security Number of Reporting Person (Voluntary)

16-1268674

4. Issuer Name and Ticker or Trading Symbol

Lake Ariel Bancorp, Inc. (NASDAQ NMS: LABN)

5. Relationship of Reporting Person to Issuer
(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. If Amendment, Date of Original (Month/Year)

Table I -- Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr.5)
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N/A

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

(Print or Type Responses)

Table II -- Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security (Instr. 5)	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) Ownership (Instr. 5)	7. Nature of Indirect Beneficial
	Date Exer- cisable	Expira- tion Date	Title	Amount or Number of Shares			
Stock Option	*	*	Common stock,	965,300	\$11.375	D	
			par value				
			\$.21 per share				

Explanation of Responses:

* In connection with the Agreement and Plan of Merger (the "Merger Agreement"), dated August 16, 1999 whereby Lake Ariel Bancorp, Inc. ("Lake Ariel") will merge with NBT Bancorp Inc. ("NBT"), Lake Ariel has granted NBT an option to purchase up to 965,300 shares of Lake Ariel's common stock. The option is exercisable only in the event of certain circumstances involving transactions with third parties, acts of third parties, or break-up of the Merger Agreement. If the option were exercised in full, NBT would own 16.6% of Lake Ariel's then outstanding common stock. NBT disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that NBT is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

/s/ Daryl R. Forsythe

August 18, 1999

President of NBT Bancorp Inc.

Date

** Signature of Reporting Person

** 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 provided is insufficient, see Instruction 6 for procedure.