

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 21, 2004

UNIT CORPORATION
(Exact Name of Registrant as Specified in Charter)

Delaware (State of Incorporation)	1-9260 (Commission File Number)	73-1283193 (IRS Employer Identification No.)
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1000 Kensington Tower,
7130 South Lewis,
Tulsa, Oklahoma 74136

(Address Of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (918) 493-7700

(Not Applicable)
(Former Name Or Former Address, If Changed Since Last Report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

99 Press Release of Unit Corporation dated July 21, 2004

Item 9. REGULATION FD DISCLOSURE

On July 21, 2004, Unit Corporation announced that it has reached an agreement to acquire the 60% of Superior Pipeline Company LLC that it does not own for \$19.8 million. Superior Pipeline LLC is a mid-stream company engaged in the buying, gathering, processing and treating of natural gas.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The following information is furnished pursuant to Item 9, "Regulation FD Disclosure" and Item 12, "Results of Operations and Financial Condition."

On July 21, 2004, Unit Corporation announced its earnings for the quarter ended June 30, 2004. The press release regarding this announcement is furnished as Exhibit 99.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 21, 2004

UNIT CORPORATION

By: /s/ David T. Merrill

David T. Merrill
Chief Financial Officer and

Exhibit Index

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Exhibit No.

Description

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99	Press Release, issued by Unit Corporation on July 21, 2004 announcing its earnings for the quarter ended June 30, 2004 and the agreement reached to acquire Superior Pipeline Company LLC.
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news

UNIT CORPORATION
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Telephone 918 493-7700, Fax 918 493-7714

Contact: David T. Merrill
Chief Financial Officer
and Treasurer
(918) 493-7700

For Immediate Release...
July 21, 2004

UNIT CORPORATION REPORTS SECOND QUARTER
AND FIRST SIX MONTH RESULTS IN 2004

Tulsa, Oklahoma . . . Unit Corporation (NYSE - UNT) announced today its financial and operational results for the second quarter and first six months of 2004. Consolidated net income for the second quarter was \$20.2 million, or 44 cents per diluted share, on revenues of \$114.4 million, compared to 2003's net income of \$11.7 million, or 27 cents per diluted share, on revenue of \$72.7 million. Revenues increased 57% while net income increased 73% between the comparative quarters. The dramatic improvement in net income comes from all sectors: higher oil and natural gas production and prices, more contract drilling rigs being utilized and increased dayrates.

For the six-month period, the Company reported consolidated net income of \$35.7 million, or 78 cents per diluted share, on revenues of \$216.3 million, compared to 2003's net income of \$25.7 million, or 59 cents per diluted share, on revenues of \$141.2 million. The increases were due to a marked improvement in oil and natural gas production, rig utilization and dayrates.

UNIT DRILLING RESULTS

Contract drilling revenues increased 48% between the comparative second quarters to \$67.1 million, primarily due to an increase in dayrates and the number of rigs utilized. The average rig utilization was 83.7 rigs in the second quarter of 2004, up 34% from 2003's second quarter. Currently, Unit has 86 of its 89 active rigs operating. Our 90th rig should be in service in early August 2004, and the 91st is currently scheduled to be placed into service in September 2004. Daywork rates for the second quarter averaged \$8,751 per day, which was 15% above the comparable quarter of 2003.

Between the comparative first six months, contract drilling revenues increased 63% to \$130.3 million with rig utilization increasing to an average of 82.6 rigs operating during the first six months of 2004 as compared to an average 56.8 rigs operating in the first six months of 2003. Contract drilling operating margins (per drilling rig) averaged \$2,353 per day during the first six months of 2004, compared to \$1,784 for the same period in 2003.

UNIT PETROLEUM RESULTS

Revenues from Unit's oil and natural gas operations increased 72% in the second quarter to \$46.3 million due to significantly higher oil and natural gas prices and production. During the first six months of 2004, oil and natural gas revenues were \$84.3 million, an increase of 40% over the same period in 2003. Natural gas production was 6,614 million cubic feet (MMcf) in the second quarter of 2004, while oil production for the same period was 278,000 barrels. Natural gas production was 12,908 MMcf in the first six months of 2004, while oil production for the same period was 494,000 barrels. Equivalent barrel production was up 18% on a year-over-year basis, excluding the acquisition of PetroCorp Incorporated in February 2004. Including the PetroCorp production, the first six months equivalent barrel production for 2004 increased 41%.

Average natural gas prices received during the second quarter of 2004 increased 18% to \$5.57 per Mcf compared to \$4.74 per Mcf during the second quarter of 2003. The average oil price received was \$31.12 per barrel in the second quarter of 2004 and \$25.51 per barrel in the 2003 comparative quarter, a 22% increase. For the first six months of 2004, average natural gas prices received decreased 2% to \$5.24 per Mcf compared to \$5.34 per Mcf during the first six months of 2003. The average oil price received was \$30.91 per barrel in the first six months of 2004 compared to \$27.86 per barrel in 2003, an 11% increase. During the first six months of 2004, Unit completed 73 wells with a success rate of 86%, compared to 62 wells completed during the first six months

of 2003 with an 85% success rate.

OTHER BUSINESS ACTIVITY

Unit has reached an agreement to acquire the 60% of Superior Pipe Line Company LLC that it does not own for \$19.8 million. Superior Pipeline is a mid-stream company engaged primarily in the gathering, processing and treating of natural gas. The company owns one natural gas treatment plant, two processing plants, 12 active gathering systems and 375 miles of pipeline. Cash flow (net income plus depreciation) for the company was \$4.5 million in 2003. Superior operates in western Oklahoma and the Texas Panhandle and has been in business for 8 years. This transaction is expected to close on July 29.

MANAGEMENT COMMENTS

"Favorable commodity prices and current industry conditions are presenting more growth opportunities for Unit," said John Nikkel, Chairman and Chief Executive Officer. "We recently announced that Unit signed an agreement to acquire Sauer Drilling Company for \$34.7 million in cash and an amount equal to Sauer's working capital at closing. The acquisition includes 9 drilling rigs, a fleet of trucks, and an equipment and repair yard with associated inventory, located in Casper, Wyoming. Of the 9 rigs, 8 are currently operating under contract in the Wind River Basin in Wyoming and the Paradox Basin in Colorado. The acquisition will expand our operations in the Rocky Mountains where we currently have 10 rigs. At closing, which is expected on or about July 30, 2004, our fleet will total 100 land drilling rigs.

Our exploration and production operations are on track to drill 165 to 175 wells by year-end. The acquisition of the remaining interest in Superior Pipeline should be a great benefit to our operations. The gas gathering and processing business is a logical extension of our exploration activities. We are pleased with the industry's present conditions and will continue our emphasis on growing our asset base."

WEBCAST

Unit will webcast its second quarter earnings conference call live over the Internet on July 21, 2004 at 11:00 a.m. Eastern Time. To listen to the live call, please go to www.unitcorp.com at least fifteen minutes prior to the start of the call to download and install any necessary audio software. For those who are not available to listen to the live webcast, a replay will be available shortly after the call and will remain on the site for twelve months.

Unit Corporation is a Tulsa-based, publicly held energy company engaged through its subsidiaries in oil and gas exploration, production and contract drilling. Unit's Common Stock is listed on the New York Stock Exchange under the symbol UNT. For more information about Unit Corporation, visit its website at <http://www.unitcorp.com>.

This news release contains forward-looking statements within the meaning of the Securities Litigation Reform Act that involve risks and uncertainties, including the closing of the pending acquisitions, the productive capabilities of the wells, future demand for oil and natural gas, future rig utilization and dayrates, oil and gas reserve information, anticipated production rates from company wells, the prospective capabilities of offset acreage, anticipated oil and natural gas prices, the number of wells to be drilled by the company, development, operational, implementation and opportunity risks, and other factors described from time to time in the company's publicly available SEC reports, which could cause actual results to differ materially from those expected.

Unit Corporation
Selected Financial and Operations Highlights
(In thousands except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2004	2003	2004

Statement of Income:				
Revenues:				
Contract drilling	\$ 45,221	\$ 67,110	\$ 79,787	\$ 130,324
Oil and natural gas	26,871	46,334	60,119	84,324
Other	572	999	1,317	1,695
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Total revenues	72,664	114,443	141,223	216,343
Expenses:				
Contract drilling:				
Operating costs	33,641	48,364	61,452	94,920
Depreciation and amortization	5,899	7,754	10,793	15,218
Oil and natural gas:				
Operating costs	5,893	10,662	12,508	20,394
Depreciation, depletion and amortization	6,445	11,535	12,492	21,712
General and administrative	2,070	3,103	4,520	5,874
Other	209	290	529	512
Interest expense	175	514	386	931
Total expenses	54,332	82,222	102,680	159,561
Income Before Income Taxes	18,332	32,221	38,543	56,782
Income Tax Expense:				
Current	144	1,556	299	2,127
Deferred	6,824	10,751	14,350	19,514
Total income taxes	6,968	12,307	14,649	21,641
Equity in Earnings of Unconsolidated Investments Net of Income Tax	327	270	456	550
Income Before Change in Accounting Principle	11,691	20,184	24,350	35,691
Cumulative Effect of Change in Accounting Principle	----	----	1,325	----
Net Income	\$ 11,691	\$ 20,184	\$ 25,675	\$ 35,691
Income Before Change in Accounting Principle				
Per Common Share:				
Basic	\$.27	\$.44	\$.56	\$.78
Diluted	\$.27	\$.44	\$.56	\$.78
Net Income Per Common Share:				
Basic	\$.27	\$.44	\$.59	\$.78
Diluted	\$.27	\$.44	\$.59	\$.78
Weighted Average Common Shares Outstanding:				
Basic	43,521	45,723	43,477	45,697
Diluted	43,749	45,931	43,690	45,887

	December 31, 2003	June 30, 2004
Balance Sheet Data:		
Current assets	\$ 72,742	\$ 95,581
Total assets	\$ 712,925	\$ 889,487
Current liabilities	\$ 51,811	\$ 68,611
Long-term debt	\$ 400	\$ 70,000
Other long-term liabilities	\$ 17,893	\$ 24,146
Deferred income taxes	\$ 127,053	\$ 173,616
Shareholders' equity	\$ 515,768	\$ 553,114

	Six Months Ended June 30, 2003	2004
Statement of Cash Flows Data:		
Cash Flow From Operations before Changes in Working Capital (1)	\$ 63,550	\$ 92,849
Net Change in Working Capital	(2,895)	1,325
Net Cash Provided by Operating Activities	\$ 60,655	\$ 94,174
Net Cash Used in Investing Activities	\$ 44,082	\$ 164,410
Net Cash Provided by (Used in)		

Financing Activities

\$ (15,744) \$ 75,417

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2003	2004	2003	2004

Contract Drilling Operations Data:				
Rigs Utilized	62.4	83.7	56.8	82.6
Operating Margins (2)	26%	28%	23%	27%
Operating Profit Before				
Depreciation (2) (\$MM)	\$ 11.6	\$ 18.7	\$ 18.3	\$ 35.4
Oil and Natural Gas Operations Data:				
Production				
Oil - MBbls	123	278	238	494
Natural Gas - MMcf	4,955	6,614	9,810	12,908
Average Prices				
Oil -- Bbl	\$ 25.51	\$ 31.12	\$ 27.86	\$ 30.91
Natural Gas - Mcf	\$ 4.74	\$ 5.57	\$ 5.34	\$ 5.24
Operating Profit Before				
DD&A (2) (\$MM)	\$ 21.0	\$ 35.7	\$ 47.6	\$ 63.9

(1) Unit Corporation considers Unit's cash flow from operations before changes in working capital an important measure in meeting the performance goals of the company.

(2) Operating profit before depreciation is calculated by taking operating revenues by segment less operating expenses by segment excluding depreciation, depletion, amortization and impairment, general and administrative and interest expense. Operating margins are calculated by taking operating profit divided by segment revenue.

