

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 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): December 14, 2004

Unit Corporation

(Exact name of registrant as specified in its charter)

Oklahoma (State or other jurisdiction of incorporation)	1-9260 (Commission File Number)	73-1283193 (I.R.S. Employer Identification No.)
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7130 South Lewis, Suite 1000, Tulsa, Oklahoma (Address of principal executive offices)	74136 (Zip Code)
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Registrant's telephone number, including area code: (918) 493-7700

Not Applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of the  
following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17  
- --- CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR  
- --- 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the  
- --- Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the  
- --- Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.  
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Effective December 14, 2004, the Compensation Committee of the Board of Directors of Unit Corporation (the "Company") amended in certain respects the Company's Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (Plan A), the Company's Separation Benefit Plan for Senior Management (Plan B) and the Company's Special Separation Benefit Plan (Plan C). Plan A allows eligible employees whose employment with the Company is involuntarily terminated or, in the case of an employee who has completed 20 years of service, voluntarily or involuntarily terminated, to receive benefits equivalent to 4 weeks salary for every whole year of service completed with the Company up to a maximum of 104 weeks. To receive payments the recipient must waive any claims against the Company in exchange for receiving the separation benefits. Plan B provides certain officers and key executives of the Company with benefits generally equivalent to Plan A. The compensation committee of the Board of Directors has absolute discretion in the selection of the individuals covered in Plan B. Plan C is identical to Plan A with the exception that the benefits under that plan vest on the earliest of the participant's reaching the age of 65 or serving 20 years with the Company. The compensation committee of the Board of Directors has absolute discretion in the selection of the

individuals covered in Plan C. Currently there are no participants in Plan C.

The majority of the amendments were to bring the plans into compliance with applicable Oklahoma law and to conform the plans' change in control provisions to match those contained in other documents relevant to the Company. The following chart shows the more significant amendments made to each plan:

Plan Amended -----	Summary of Amendment -----	Reason for Amendment -----
Plan A and Plan B	The definition of Discharge for Cause was amended by removing the term "willful" in subsections 2.12 (i) and (ii).	This change was made to allow the Company greater certainty in defining a Discharge for Cause.
Plan A and Plan B	The provisions in the plans providing for Forfeiture of Separation Benefit Payments by Competition were revised to bring them into compliance with recent Oklahoma law that restricts the Company's ability to limit a former employee's ability to compete against the Company. Corresponding changes were also made to the Release Agreements that a participant is required to sign to get the benefits under the plan.	Comply with applicable law.
Plans A, B and C.	The definition of Change in Control was amended to provide that if the Board of Directors of the Company determines in good faith that a person became the beneficial owner of 15% or more of the outstanding common stock of the Company inadvertently (including, without limitation, because (A) such person was unaware that it beneficially owned a percentage of outstanding common stock that would cause a Change of Control or (B) such person was aware of the extent of its beneficial ownership of outstanding common stock but had no actual knowledge of the consequences of such beneficial ownership under the plan) and without any intention of changing or influencing control of the Company, then the beneficial ownership of outstanding common stock by that person will not be deemed to be or to have become a Change of Control for any purposes of the plans unless that person fails to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the Company), of beneficial ownership of a sufficient number of of outstanding	This change was made to allow those persons who might unintentionally acquire enough stock of the Company to trigger a change of control the opportunity to divest themselves of enough stock and thus not trigger the change in control provisions.

beneficial ownership of  
outstanding common stock would  
no longer otherwise qualify as  
a Change of Control.

A copy of the plans, as amended, are filed as exhibits to this form 8-K and incorporated herein by reference. The foregoing summary is qualified in its entirety by reference to such exhibits.

Also, as previously reported in the Company's Form 8-K filed on 10-21-04, the Company reached an agreement with its current Chief Executive Officer, Mr. Nikkel, providing for him to serve as a consultant to the Company on his retirement April 1, 2005. At the time the prior 8-K was filed, the Company had not signed a written agreement with its Chief Executive Officer memorializing the terms set forth in the prior 8-K. That agreement was signed on December 17, 2004 and is attached as an exhibit to this Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

Not Applicable.

(b) Pro Forma Financial Information.

Not Applicable.

(c) Exhibits.

- 10.1 Unit Corporation Separation Benefit Plan for Senior Management
- 10.2 Separation Benefit Plan of Unit Corporation and Participating Subsidiaries
- 10.3 Special Separation Benefit Plan
- 10.4 Consulting Agreement dated December 16, 2004 between John Nikkel and the Company

SIGNATURES

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.

Unit Corporation

Date: December 20, 2004

By: /s/ Mark E. Schell

Name: Mark E. Schell

Title: Senior Vice President

EXHIBIT INDEX

- 10.1 Unit Corporation Separation Benefit Plan for Senior Management
- 10.2 Separation Benefit Plan of Unit Corporation and Participating Subsidiaries
- 10.3 Special Separation Benefit Plan
- 10.4 Consulting Agreement dated December 16, 2004 between John Nikkel and the Company



UNIT CORPORATION  
SEPARATION BENEFIT PLAN  
FOR SENIOR MANAGEMENT

as amended and restated  
effective  
December 14, 2004

UNIT CORPORATION  
SEPARATION BENEFIT PLAN  
FOR SENIOR MANAGEMENT

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Exhibit A ..... Separation Agreement

UNIT CORPORATION  
SEPARATION BENEFIT PLAN  
FOR SENIOR MANAGEMENT

Introduction

The purpose of The Unit Corporation Separation Benefit Plan for Senior Management is to provide certain officers and key executives of Unit Corporation

or its subsidiaries with appropriate assurances of continued income and other benefits for a reasonable period of time in the event that the individual's employment ceases under the circumstances described herein.

The Administrative Committee shall, in its absolute discretion select the individuals to be covered by this Plan from time to time. The Administrative Committee may notify each selected individual of his or her selection and provide him or her with a copy of this Plan.

Participation in the Plan shall not in any respect be deemed to grant the Participant either a right to continued participation in the Plan or a right to continued employment and such employment and participation remains terminable at will by either the Employing Company or the Participant at any time for any reason or for no reason.

ARTICLE ONE.  
Definitions

1.1 "Administrative Committee" means the Compensation Committee established and appointed by the Board of Directors.

1.2 "Base Salary" means the regular basic cash remuneration before deductions for taxes and other items withheld, and without regard to any salary reduction pursuant to any plans maintained by an Employing Company under Section 401(k) or 125 of the Code, payable to a Participant for services rendered to an Employing Company, but not including pay for Bonuses, incentive compensation, special pay, awards or commissions.

1.3 "Beneficiary" means the person designated by a the Participant in a written instrument filed with the Administrative Committee to receive benefits under this Plan.

1.4 "Board of Directors" means the board of directors of the Company.

1.5 "Bonus" means any annual incentive compensation paid to a Participant over and above Base Salary earned and paid in cash or otherwise.

1.6 "Change in Control" of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

- (i) On the close of business on the tenth day following the time the Company learns of the acquisition by any individual entity or group (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, of beneficial ownership

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within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 15% or more of either (i) the then outstanding shares of Common Stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of Directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; (D) any acquisition by any corporation pursuant to a transaction with complies with clauses (i), (ii) and (iii) of subsection (iii) of this definition and (E) if the Board of Directors of the Company determines in good faith that a Person became the beneficial owner of 15% or more of the Outstanding Company Common Stock inadvertently (including, without limitation, because (A) such Person was unaware that it beneficially owned a percentage of Outstanding Company Common Stock that would cause a Change of Control or (B) such Person was aware of the extent of its beneficial ownership of Outstanding Company Common Stock but had no actual knowledge of the consequences of such beneficial ownership under this Plan) and without any intention of changing or influencing control of the Company, then the beneficial ownership of Outstanding Company Common Stock by that Person shall not be deemed to be or to have become a Change of Control for any purposes of this Plan unless and until such Person shall have failed to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the

Company), of beneficial ownership of a sufficient number of Outstanding Company Common Stock so that such Person's beneficial ownership of Outstanding Company Common Stock would no longer otherwise qualify as a Change of Control;

- (ii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a Director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the Directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a Director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;
- (iii) approval by the stockholders of the company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate

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Transaction"); excluding, however, a Corporate Transaction pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 70% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled

- (iv) to vote generally in the election of Directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than: the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 25% or more of the Outstanding Company Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of Directors and (iii) individuals who were members of the Incumbent Board will constitute a majority of the members of the Board of Directors of the corporation resulting from such Corporate Transaction; or
- (v) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

1.7 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.8 "Company" means Unit Corporation, the sponsor of this Plan.

1.9 "Comparable Position" means a job with an Employing Company or successor company at the same or higher Base Salary as a Participant's current job and at a work location within reasonable commuting distance from a Participant's home, as determined by such Participant's Employing Company.

1.10 "Completed Year of Service" means the period of time beginning with a Participant's date of hire or the anniversary of such date of hire and ending twelve months thereafter.

1.11 "Discharge for Cause" means termination of a Participant's employment by the Employing Company due to:

- (i) the consistent failure of the Participant to perform the



Participant's prescribed duties to the Employing Company (other than any such failure resulting from the Participant's incapacity due to physical or mental illness);

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- (ii) the commission by the Participant of a wrongful act that caused or was reasonably likely to cause damage to the Employing Company;
- (iii) an act of gross negligence, fraud, unfair competition, dishonesty or misrepresentation in the performance of the Participant duties on behalf of the Employing Company;
- (iv) the conviction of or the entry of a plea of nolo contendere by the Participant to any felony or the conviction of or the entry of a plea of nolo contendere to any offense involving dishonesty, breach of trust or moral turpitude; or
- (v) a breach of the Participant's fiduciary duty involving personal profit.

1.12 "Employing Company" with respect to a Participant, shall mean either the Company or, if applicable, the subsidiary of the Company which employs the Participant.

1.13 "ERISA" means the Employee Retirement Income Security Act of 1974, as from time to time amended, and all regulations and rulings issued thereunder by governmental administrative bodies.

1.14 "Participant" means an individual who is designated as such pursuant to Section 2.1.

1.15 "Plan" means the Unit Corporation Separation Benefit Plan for Senior Management, as set forth herein and as hereafter amended from time to time.

1.16 "Separation Benefit" means the benefit provided for under this Plan as determined under Article 2.

1.17 "Separation Period" means the period of time over which a Participant receives Separation Benefits under the Plan in semimonthly or other installment payments.

1.18 "Termination of Employment" means a Participant's separation from the service of an Employing Company determined by the Employing Company, provided that a Termination of Employment does not include any separation from service resulting from:

- (i) Discharge for Cause,
- (ii) court decree or government action or recommendation having an effect on an Employing Company operations or manpower involving rationing or price control or any other similar type cause beyond the control of an Employing Company,
- (iii) an offer to the Participant of a position with an Employing Company or affiliate,
- (iv) termination pursuant to which a Participant accepts any benefits under an incentive retirement plan or other severance or separation plan, or
- (v) termination of a Participant who has a written employment contract which contains severance provisions.

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Temporary work cessations due to strikes, lockouts or similar reasons shall not be considered a Termination of Employment. An Participant's separation from service in connection with the divestiture of any business of an Employing Company shall not constitute a Termination of Employment if the Participant is offered a Comparable Position by the purchaser or successor of such business, an affiliate thereof, or an affiliate of an Employing Company. A separation from service by an Participant who is offered a Comparable Position arranged for or secured by an Employing Company does not constitute a Termination of Employment.

A Termination or Employment shall be effective on the date specified by

the Employing Company (the "Termination Date").

1.19 "Years of Service" means the sum of the number of continuous Completed Years of Service as an employee of an Employing Company during the Participant's period of employment beginning with the Participant's most recent hire date and ending with the Participant's most recent termination date.

## ARTICLE TWO.

### Benefits

#### 2.1 Participants

Each individuals named on Schedule I hereto shall be a Participant in the Plan. Schedule I may be amended by the Administrative Committee from time to time to add individuals as a Participant.

#### 2.2 Separation Benefit

A Separation Benefit shall be provided for a Participant under the provisions of this Article 3.

#### 2.3 Separation Benefit Amount

The Separation Benefit payable to a Participant under the Plan shall be based, in part, on his/her Years of Service with the Company, or Employing Company. The formula for determining a Participant's Separation Benefit payment shall be calculated by dividing the Participant's annual Base Salary in effect immediately prior to the date of Termination of Employment by 52 to calculate the weekly separation benefit (the "Weekly Separation Benefit"). The amount of the Separation Benefit payable to the Participant shall then be determined in accordance with the following applicable provision:

2.3.1 Involuntary separation - In the event the Termination of Employment is the result of an Employing Company terminating the employment of the Participant, the Separation Benefit shall be determined according to the following schedule:

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#### Involuntary Separation Schedule of Separation Benefits

Years of Service	Number of Weekly Separation Benefit Payments:	Years of Service	Number of Weekly Separation Benefit Payments:
- - - - -	- - - - -	- - - - -	- - - - -
1	4	14	56
2	8	15	60
3	12	16	64
4	16	17	68
5	20	18	72
6	24	19	76
7	28	20	80
8	32	21	84
9	36	22	88
10	40	23	92
11	44	24	96
12	48	25	100
13	52	26 or more	104

The Administrative Committee reserves the right, in its sole and absolute discretion and on a case by case basis, to increase the number of Weekly Separation Benefit Payments a Participant may otherwise be entitled to receive under this Section 2.3.1.

2.3.2 Voluntary separation - In the event the Termination of Employment is the result of the Participant's own action (such as by way of example and not limitation, quitting, resignation or retirement) the Separation Benefit shall be determined according to the following Schedule:

#### Voluntary Separation Schedule of Separation Benefits

Years of	Number of Weekly Separation Benefit
----------	--

Service -----	Payments -----
1-19	0
20	80
21	84
22	88
23	92
24	96
25	100
26 or more	104

Under certain exceptional circumstances the Administrative Committee may, in its sole and absolute discretion, choose to treat a voluntary separation as an involuntary separation and allow a Participant to receive Separation Benefits in accordance with the schedule set forth in Section 2.3.1.

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### 2.4 Separation Benefit Limitation

Notwithstanding anything in the Plan to the contrary, the Separation Benefit payable to any Participant under this Plan shall never exceed the lesser of (i) 104 Weekly Separation Benefit payments; or (ii) the amount permitted under ERISA to maintain this Plan as a welfare benefit plan. The benefits payable under this Plan shall be inclusive of and offset by any other severance or termination payments made by an Employing Company, including, but not limited to, any amounts paid pursuant to federal, state, local or foreign government worker notification (e.g., Worker Adjustment and Retraining Notification Act) or office closing requirements.

### 2.5 Withholding Tax

The Employing Company shall deduct from the amount of any Separation Benefits payable under the Plan, any amount required to be withheld by the Employing Company by reason of any law or regulation, for the payment of taxes or otherwise to any federal, state, local or foreign government. In determining the amount of any applicable tax, the Employing Company shall be entitled to rely on the number of personal exemptions on the official form(s) filed by the Participant with the Employing Company for purposes of income tax withholding on regular wages.

### 2.6 Reemployment of a Participant

Entitlement to the unpaid balance of any Separation Benefit amount due a Participant under this Plan shall be revoked immediately upon reemployment of the person as an employee of an Employing Company. Such unpaid balance shall not be payable in any future period.

However, if the person's re-employment is subsequently terminated and he or she then becomes entitled to a Separation Benefit under this Plan, Years of Service for the period of re-employment shall be added to that portion of his or her prior service represented by the unpaid balance or the revoked entitlement for the prior Separation Benefit.

### 2.7 Integration with Disability Benefits

The Separation Benefit payable to a Participant with respect to any Separation Period shall be reduced (but not below zero) by the amount of any disability benefit payable from any disability plan or program sponsored or contributed to by an employing Company. The amount of any such reduction shall not be paid to the Participant in any future period.

### 2.8 Plan Benefit Offset

The amount of any severance or separation type payment that an Employing Company is or was obligated to pay to a Participant under any law, decree, court award, contract, program or other arrangement because of the Participant's separation from service from an Employing Company shall reduce the amount of Separation Benefit otherwise payable under this Plan.

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### 2.9 Recoupment

The Company may deduct from the Separation Benefit any amount owing to an

Employing Company from

(a) the Participant, or

(b) the executor or administrator of the Participant's estate.

#### 2.10 Completion of Twenty Years of Service

Any Participant who shall complete 20 Years of Service prior to the termination of this Plan shall be vested in his/her Separation Benefit notwithstanding the subsequent termination of this Plan prior to such Participant's Termination of Employment. Any Separation Benefit deemed to have vested pursuant to this Section shall be payable upon such Participant's Termination of Employment with the Employing Company and shall be paid in accordance with the greater of (1) the Plan provisions in effect immediately prior to the termination of this Plan, and (2) the Plan provisions in effect on the date the Participant completed 20 Years of Service.

#### 2.11 Change in Control

Unless otherwise provided in writing by the Board of Directors prior to a Change in Control of the Company, all Participant shall be vested in his/her Separation Benefit as of the date of the Change in Control based on such Participant's then Years of Service as determined by reference to the schedule set forth in Section 2.3.1 of this Plan. Any Separation Benefit deemed to have vested pursuant to this Section shall be payable upon the Participant's Termination of Employment with the Employing Company and shall be paid in accordance with the Plan provisions in effect immediately prior to the Change in Control.

### ARTICLE THREE Method of Payment

#### 3.1 Separation Benefit Payment

Separation Benefit payments shall, unless deferred pursuant to Subsection 3.1.1 or unless otherwise determined by the Committee, be paid in the same manner as wages were paid to the Participant.

3.1.1 Each Participant, upon selection for participation in this Plan, may make an election to defer payment of the Separation Benefit to a date specified in the deferral election that will be provided in a form prescribed by the Administrative Committee. A Participant who elects to defer payment of his or her Separation Benefit will also be permitted to elect between payment of the deferred Separation Benefit in the form of a lump sum or installment payments over a 24-month period. A Participant may change his or her election so

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long as such change is submitted to the Administrative Committee at least twelve months prior to the date payment of a Separation Benefit would have otherwise commenced.

#### 3.2 Protection of Business

Any Participant who receives Separation Benefits under Section 3.3 of this Plan agrees that, in consideration of the Separation Benefits, the Participant will not, in any capacity, directly or indirectly, and on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship (collectively, the "Protection of Business Requirements"). Except as provided in the next paragraph and/or the Separation Agreement, in the event the Participant violates the Protection of Business Requirements of this Section (or the like provisions of his or her Separation Agreement), the Participant shall not be entitled to any further payments of Separation Benefits under this Plan and shall be obligated to repay the Employing Company all monies previously received as Separation Benefits. In the event of a Change in Control, Participant's obligations under this Section shall expire and be canceled, and Participant shall be entitled to Separation Benefits under this Plan in accordance with its terms even if he or she engages in conduct that would otherwise violate the Protection of Business Requirements in this Section.

### 3.3 Death Subsequent to Termination of Employment

If the death of a Participant occurs subsequent to the date of Termination of Employment and before receipt of the full Separation Benefit to which he or she was entitled, the computed lump sum value of the unpaid balance of the Separation Benefit amount shall be paid to such Participant's Beneficiary. If there is no designated living Beneficiary, the computed lump sum value shall be paid to the executor or administrator of the Participant's estate.

#### ARTICLE FOUR Waiver and Release of Claims

It is a condition of this Plan that no Separation Benefit shall be paid to or for any Participant except upon due execution and delivery to the Employing Company by that Participant of a Separation Agreement, in substantially the form attached to this Plan as Attachment A (except as may be modified from time to time), by which the Participant waives and releases the Company, its subsidiaries and their officers, directors, agents, employees, and affiliates from all claims arising or alleged to arise out of his or her employment or the termination of employment. Said waiver and release as provided in the Separation Agreement being given in exchange for and in consideration of payment of the Separation Benefit, to which the Participant would not otherwise be entitled.

In connection therewith, the following procedures shall be followed (except as modified from time to time): the Participant shall be advised in writing, by receiving the written text of the Separation Agreement so stating, to consult a lawyer before signing the Separation Agreement; the Participant shall be given

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twenty-one days to consider the Separation Agreement before signing; after signing, the Participant shall have seven days in which to revoke the Separation Agreement; and the Separation Agreement shall not take effect until that seven day period shall have passed.

#### ARTICLE FIVE Funding

This Plan is an unfunded employee welfare benefit plan under ERISA established by the Company. Benefits payable to Participants shall be paid out of the general assets of the Employing Company. The Employing Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Separation Benefits under the Plan.

#### ARTICLE SIX Administration

##### 6.1 Named Fiduciary

This Plan shall be administered by the Company acting through the Administrative Committee or such other person as may be designated by the Company from time to time. The Administrative Committee shall be the "Administrator" of the Plan and shall be, in its capacity as Administrator, a "Named Fiduciary," as such terms are defined or used in ERISA.

##### 6.2 Fiduciary Responsibilities

The named fiduciary shall fulfill the duties and requirements of such a fiduciary under ERISA and is the Plan's agent for service of legal process. The named fiduciary may designate other persons to carry out such fiduciary responsibilities and may cancel such a designation. A person may serve in more than one fiduciary or administrative capacity with respect to this Plan. The named fiduciary shall periodically review the performance of the fiduciary responsibilities by each designated person.

##### 6.3 Specific Fiduciary Responsibilities

The Administrative Committee shall be responsible for the general administration and interpretation of the Plan and the proper execution of its provisions and shall have full discretion to carry out its duties. In addition to any powers of the Administrative Committee specified elsewhere in this Plan, the Administrative Committee shall have all discretionary powers necessary to discharge its duties under this Plan, including, but not limited to, the following discretionary powers and duties:

6.3.1 To interpret or construe the terms of the Plan, including eligibility to participate, and resolve ambiguities, inconsistencies and omissions;

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6.3.2 To make and enforce such rules and regulations and prescribe the use of such forms as it deems necessary or appropriate for the efficient administration of the Plan; and

6.3.3 To decide all questions concerning the Plan and the determination of who shall be a Participant.

#### 6.4 Allocations and Delegations of Responsibility

The Board of Directors and the Administrative Committee respectively shall have the authority to delegate, from time to time, all or any part of its responsibilities under this Plan to such person or persons as it may deem advisable and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administrative Committee. The Company, the Board of Directors and the Administrative Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall report periodically to the Board of Directors or the Administrative Committee, as applicable, concerning the discharge of the delegated responsibilities.

The Board of Directors and the Administrative Committee respectively shall have the authority to allocate, from time to time, all or any part of its responsibilities under this Plan to one or more of its members as it may deem advisable, and in the same manner to remove such allocation of responsibilities. Any action of the member to whom responsibilities are allocated in the exercise of such allocated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administrative Committee. The Company, the Board of Directors and the Administrative Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall report periodically to the Board of Directors or the Administrative Committee, as applicable, concerning the discharge of the allocated responsibilities.

#### 6.5 Advisors

The named fiduciary or any person designated by the named fiduciary to carry out fiduciary responsibilities may employ one or more persons to render advice with respect to any responsibility imposed by this Plan.

#### 6.6 Plan Determination

The determination of the Administrative Committee as to any question involving the general administration and interpretation or construction of the Plan shall be within its sole discretion and shall be final, conclusive and binding on all persons, except as otherwise provided herein or by law.

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#### 6.7 Claims Review Procedure

Consistent with the requirements of ERISA and the regulations thereunder as promulgated by the Secretary of Labor from time to time, the following claims review procedure shall be followed with respect to the denial of Separation Benefits to any Participant:

6.7.1 Within thirty (30) days from the date of a Participant's Termination of Employment, the Employing Company shall furnish such Participant with an agreement and release offering Separation Benefits under the Plan or notice of such Participant's ineligibility for or denial of Separation Benefits, either in whole or in part. Such notice from the Employing Company will be in writing and sent to the Participant's or the legal representatives of his estate stating the reasons for such ineligibility or denial and, if applicable, a description of additional information that might cause a reconsideration by the Administrative Committee or its delegate of the decision and an explanation for the Plan's claims review procedure. In the event such notice is not furnished within thirty

(30) days, any claim for Separation Benefits shall be deemed denied and the Participant shall be permitted to proceed to Section 6.7.2 below.

6.7.2 Each Participant may submit a claim for benefits to the Administrative Committee (or to such other person as may be designated by the Administrative Committee) in writing in such form as is permitted by the Administrative Committee. A Participant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his or her rights to review under this Section.

When claim for benefits has been filed properly, such claim for benefits shall be evaluated and the Participant shall be notified of the approval or the denial within ninety (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the Participant prior to the termination of the initial ninety (90) day period which shall specify the special circumstances requiring an extension and the date by which a final decision shall be reached (which date shall not be later than one hundred and eighty (180) days after the date on which the claim was filed). The Participant shall be given a written notice in which the Participant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied by the Administrative Committee, in whole or in part, the Participant shall be given written notice which shall contain (1) the specific reasons for the denial, (2) references to pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (4) the Participant's rights to seek review of the denial.

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6.7.3 If a claim is denied, in whole or in part, the Participant shall have the right to request that the Administrative Committee review the denial, provided that the Participant files a written request for review with the Administrative Committee within sixty (60) days after the date on which the Participant received written notification of the denial. The Participant (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Administrative Committee. Within a reasonable period, which shall not be later than sixty (60) days after a request for review is received, the review shall be made and the Participant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the Participant shall be given a written notification within such initial sixty (60) day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed). The decision on review shall be forwarded to the Participant in writing and shall include specific reasons for the decision and references to Plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons.

6.7.4 If a Participant fails to file a request for review in accordance with the procedures herein outlined, such Participant shall have no rights to review and shall have no right to bring action in any court and the denial of the claim shall become final and binding on all persons for all purposes.

6.7.5 The determination whether to grant or to deny any claims for benefits under this Plan shall be made by the Administrative Committee, in its sole and absolute discretion, and all such determinations shall be conclusive and binding on all persons to the maximum extent permitted by law.

## 6.8 Modification and Termination

The Company may at any time, without notice or consent of any person, terminate or modify this Plan in whole or in part, and such termination or modification shall apply to existing as well as to future Participants, but such actions shall not affect any Separation Benefit that has become

payable to an Participant, and such benefit shall continue to be paid in accordance with the Plan provisions in effect on the date of the Termination of Employment.

#### 6.9 Indemnification

To the extent permitted by law, the Company shall indemnify and hold harmless the members of the Board of Directors, the Administrative Committee members, and any employee to whom any fiduciary responsibility with respect to this Plan is allocated or delegated to, and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission to act, in connection with the performance of his/her duties, responsibilities and obligations under this Plan, ERISA and other applicable law, other than such liabilities, costs and expenses as may result from the gross negligence or willful misconduct of any such

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person. The foregoing right of indemnification shall be in addition to any other right to which any such person may be entitled as a matter of law or otherwise. The Company may obtain, pay for and keep current a policy or policies of insurance, insuring the members of the Board of Directors, the Administrative Committee members and any other employees who have any fiduciary responsibility with respect to this Plan from and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission, in connection with the performance of his/her duties, responsibilities and obligations under this Plan and under ERISA.

#### 6.10 Successful Defense

A person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding or claim or demand of the character described in Section 6.9 above shall be entitled to indemnification as authorized in such Section 6.9.

#### 6.11 Unsuccessful Defense

Except as provided in Section 6.10 above, any indemnification under Section 6.9 above, unless ordered by a court of competent jurisdiction, shall be made by the Company only if authorized in the specific case:

6.11.1 By the Board of Directors acting by a quorum consisting of directors who are not parties to such action, proceeding, claim or demand, upon a finding that the member of the Administrative Committee has met the standard of conduct set forth in Section 6.9 above; or

6.11.2 If a quorum under Section 6.11.1 above is not obtainable with due diligence by the Board of Directors upon the opinion in writing of independent legal counsel (who may be counsel to any Employing Company) that indemnification is proper in the circumstances because the standard of conduct set forth in Section 6.9 above has been met by such member of the Administrative Committee.

#### 6.12 Advance Payments

Expenses incurred in defending a civil or criminal action or proceeding or claim or demand may be paid by the Company or Employing Company, as applicable, in advance of the final disposition of such action or proceeding, claim or demand, if authorized in the manner specified in Section 6.11 above, except that, in view of the obligation of repayment set forth in Section 6.13 below, there need be no finding or opinion that the required standard of conduct has been met.

#### 6.13 Repayment of Advance Payments

All expenses incurred, in defending a civil or criminal action or proceeding, claim or demand, which are advanced by the Company or Employing Company, as applicable, under Section 6.12 above shall be repaid in case the person receiving such advance is ultimately found, under the

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procedures set forth in this Article Six, not to be entitled to the extent the expenses so advanced by the Company exceed the indemnification to which he or she is entitled.



#### 6.14 Right of Indemnification

Notwithstanding the failure of the Company or Employing Company, as applicable, to provide indemnification in the manner set forth in Sections 6.11 and 6.12 above, and despite any contrary resolution of the Board of Directors or of the shareholders in the specific case, if the member of the Administrative Committee has met the standard of conduct set forth in Section 6.9 above, the person made or threatened to be made a party to the action or proceeding or against whom the claim or demand has been made, shall have the legal right to indemnification from the Company or Employing Company, as applicable, as a matter of contract by virtue of this Plan, it being the intention that each such person shall have the right to enforce such right of indemnification against the Company or Employing Company, as applicable, in any court of competent jurisdiction.

#### ARTICLE SEVEN Effective Date and Plan Year

This Plan shall be effective as amended and restated on and after December 14, 2004. The Plan Year is the calendar year.

#### ARTICLE EIGHT Miscellaneous

##### 8.1 Assignment

A Participant's right to benefits under this Plan shall not be assigned, transferred, pledged, encumbered in any way or subject to attachment or garnishment, and any attempted assignment, transfer, pledge, encumbrance, attachment, garnishment or other disposition of such benefits shall be null and void and without effect.

##### 8.2 Governing Law

To the extent not governed by federal law, this Plan and all action taken under it shall be governed by the laws of the State of Oklahoma.

##### 8.3 Employing Company Records

The records of the Employing Company with regard to any person's Participant status, Beneficiary status, employment history, Years of Service and all other relevant matters shall be conclusive for purposes of administration of the Plan.

##### 8.4 Employment Non-Contractual

This Plan is not intended to and does not create a contract of employment, express or implied, and an Employing Company may terminate the employment of any employee with or without cause as freely and with the same effect as if this Plan did not exist. Nothing contained in the Plan shall be

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deemed to qualify, limit or alter in any manner the Employing Company's sole and complete authority and discretion to establish, regulate, determine or modify at all time, the terms and conditions of employment, including, but not limited to, levels of employment, hours of work, the extent of hiring and employment termination, when and where work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be maintained or carried on, in the same manner and to the same extent as if this Plan were not in existence.

##### 8.5 Taxes

Neither an Employing Company nor any fiduciary of this Plan shall be liable for any taxes incurred by a Participant or Beneficiary for Separation Benefit payments made pursuant to this Plan.

##### 8.6 Binding Effect

This Plan shall be binding on the Company, any Employing Company and their successors and assigns, and the Participant, Participant's heirs, executors, administrators and legal representatives. As used in this Plan, the term "successor" shall include any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets or business of the Company or any Employing Company.

8.7 Entire Agreement

This Plan constitutes the entire understanding between the parties hereto and may be modified only in accordance with the terms of this Plan.

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Exhibit A

To receive a Separation Benefit, a participant must sign the following Separation Agreement provided by the Company:

SEPARATION AGREEMENT

[Name of Employing Company] ("Unit") and \_\_\_\_\_  
("Participant") hereby agree as follows:

Participant's employment will end on \_\_\_\_\_, 20\_\_.

Unit will pay to Participant a Separation Benefit of \$\_\_\_\_\_ in accordance with and subject to the terms of the Unit Corporation Separation Benefit Plan for Senior Management (the "Plan").

Participant knows that state and federal laws, including the Age Discrimination in Employment Act, prohibit employment discrimination based on age, sex, race, color, national origin, religion, handicap, disability, or veteran status, and that these laws are enforced through the United States Equal Employment Opportunity Commission ("EEOC"), United States Department of Labor, and State Human Rights Agencies.

PARTICIPANT IS ADVISED TO CONSULT AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

PARTICIPANT HAS TWENTY-ONE DAYS AFTER RECEIVING THIS AGREEMENT TO CONSIDER WHETHER TO SIGN IT.

AFTER SIGNING THIS AGREEMENT, PARTICIPANT HAS ANOTHER SEVEN DAYS IN WHICH TO REVOKE IT, AND IT DOES NOT TAKE EFFECT UNTIL THOSE SEVEN DAYS HAVE ENDED.

In exchange for the Separation Benefit described above, to which Participant is not otherwise entitled, Participant forever releases and discharges Unit Corporation, and its subsidiaries, their officers, directors, agents, employees, and affiliates from all claims, liabilities, and lawsuits arising out of Participant's employment or the termination of that employment and agrees not to assert any such claim, liability, or lawsuit. This includes any claim under the Age Discrimination in Employment Act or under any other federal, state, or local statute or regulation relating to employment discrimination. It also includes any claim under any other statute or regulation or common law rule relating to Participant's employment or the termination of that employment. This Agreement does not have any effect with respect to acts or events occurring after the date upon which Participant signs it. This Agreement does not limit any benefits to which Participant is entitled under any retirement plans, if any.

As further consideration for the payment of the Separation Benefit described above, Participant agrees that if Participant's Separation Benefit is received pursuant to Section 2.3.2 "Voluntary Separation" of the Plan, Participant will not in any capacity directly or indirectly and

on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship with the Company (collectively, the "Protection of Business Requirements").

Except as provided in the next paragraph, in the event Participant violates the Protection of Business Requirements hereof, Participant shall not be entitled to any further payments of Separation Benefits under the Plan or this Agreement and shall be obligated to repay Unit all Separation Benefit payments previously received under the Plan and this Agreement.

In the event of a Change in Control (as defined in the Plan), Participant's obligations regarding the Protection of Business Requirements under this Agreement shall expire and be canceled, and Participant shall be entitled to the Separation Benefits provided under the Plan in accordance with the terms of the Plan, notwithstanding whether Participant thereafter engages in conduct that would otherwise violate the Protection of Business Requirements described in this Agreement.

Participant has carefully read and fully understands all the provisions of this Agreement. This Agreement and the Plan constitute the entire agreement between the parties and is legally binding and enforceable. Participant has not relied upon any representation or statement, written or oral, not set forth in this Agreement.

This Agreement shall be governed and interpreted under federal law and the laws of Oklahoma.

Participant knowingly and voluntarily signs this Agreement.

Date Delivered to Participant: [Name of Employing Company]

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Date signed by Participant: Date: \_\_\_\_\_

Participant Signature: Seven-Day Revocation Period Ends:

\_\_\_\_\_  
(Print Participant's Name)

## SCHEDULE I

Dated as of January 1, 2004

Name of Participants  
-----

King P. Kirchner  
O. Earle Lamborn  
John G. Nikkel

SEPARATION BENEFIT PLAN  
OF UNIT CORPORATION AND  
PARTICIPATING SUBSIDIARIES

as amended and restated

effective

December 14, 2004

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Attachment A - Separation Agreement

Attachment B - Separation Agreement

SEPARATION BENEFIT PLAN  
OF UNIT CORPORATION AND  
PARTICIPATING SUBSIDIARIES

Introduction

The purpose of this Plan is to provide financial assistance to Eligible Employees whose employment has terminated under certain conditions, in consideration of the waiver and release by such employees of any claims arising or alleged to arise from their employment or the termination of employment. No employee is entitled to any payment under this Plan except in exchange for and upon the Employing Company's receipt of a written waiver and release given in accordance with the provisions of this Plan.

Article 1.  
Scope

Section 1.1      Name

This Plan shall be known as the Separation Benefit Plan of Unit Corporation and Participating Subsidiaries.

Section 1.2 Plan Year

The Plan Year is the calendar year.

Article 2.  
Definitions

- 2.1 "Administration Committee" means the Committee established and appointed by the Board of Directors or by a committee of the Board of Directors.
- 2.2 "Base Salary" means the regular basic cash remuneration before deductions for taxes and other items withheld, and without regard to any salary reduction pursuant to any plans maintained by an Employing Company under Section 401 (k) or 125 of the Code, payable to an Employee for services rendered to an Employing Company, but not including pay for Bonuses, incentive compensation, special pay, awards or commissions.
- 2.3 "Beneficiary" means the person designated by an Eligible Employee in a written instrument filed with an Employing Company to receive benefits under this Plan.
- 2.4 "Board of Directors" means the board of directors of the Company.
- 2.5 "Bonus" means any annual incentive compensation paid to an Employee over and above Base Salary earned and paid in cash or otherwise.
- 2.6 "Change in Control" of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(i) On the close of business on the tenth day following the time the Company learns of the acquisition by any individual entity or group (a "Person"), including any "person" within the meaning of Section 13(d) (3) or 14(d) (2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d 3 promulgated under the Exchange Act, of 15% or more of either (i) the then outstanding shares of Common Stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote

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generally in the election of Directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; (D) any acquisition by any corporation pursuant to a transaction with complies with clauses (i), (ii) and (iii) of subsection (iii) of this definition and (E) if the Board of Directors of the Company determines in good faith that a Person became the beneficial owner of 15% or more of the Outstanding Company Common Stock inadvertently (including, without limitation, because (A) such Person was unaware that it beneficially owned a percentage of Outstanding Company Common Stock that would cause a Change of Control or (B) such Person was aware of the extent of its beneficial ownership of Outstanding Company Common Stock but had no actual knowledge of the consequences of such beneficial ownership under this Plan) and without any intention of changing or influencing control of the Company, then the beneficial ownership of Outstanding Company Common Stock by that Person shall not be deemed to be or to have become a Change of Control for any purposes of this Plan unless and until such Person shall have failed to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the Company), of beneficial ownership of a sufficient number of Outstanding Company Common Stock so that such Person's beneficial ownership of Outstanding Company Common Stock would no longer otherwise qualify as a Change of Control;

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a Director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the Directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a Director of

the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(iii) approval by the stockholders of the company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction Pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 70% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of Directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than: the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 25% or more of the Outstanding Company Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation

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entitled to vote generally in the election of Directors and (iii) individuals who were members of the Incumbent Board will constitute a majority of the members of the Board of Directors of the corporation resulting from such Corporate Transaction; or

(iv) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

- 2.7 "Change of Control Contract" means a Unit Corporation Key Employee Change of Control Contract entered into between Unit Corporation and the individual identified in such agreement as "Executive".
- 2.8 "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 2.9 "Company" means Unit Corporation, the sponsor of this Plan.
- 2.10 "Comparable Position" means a job with an Employing Company or successor company at the same or higher Base Salary as an Employee's current job and at a work location within reasonable commuting distance from an Employee's home, as determined by such Employee's Employing Company.
- 2.11 "Completed Year of Service" means the period of time beginning with an Employee's date of hire or the anniversary of such date of hire and ending twelve months thereafter.
- 2.12 "Discharge for Cause" means termination of the Employee's employment by the Employing Company due to:
- (i) the consistent failure of the Employee to perform the Employee's prescribed duties to the Employing Company (other than any such failure resulting from the Employee's incapacity due to physical or mental illness);
  - (ii) the commission by the Employee of a wrongful act that caused or was reasonably likely to cause damage to the Employing Company;
  - (iii) an act of gross negligence, fraud, unfair competition, dishonesty or misrepresentation in the performance of the Employee's duties on behalf of the Employing Company;
  - (iv) the conviction of or the entry of a plea of nolo contendere by the Employee to any felony or the conviction of or the entry of a plea of

nolo contendere to any offense involving dishonesty, breach of trust or moral turpitude; or

(v) a breach of an Employee's fiduciary duty involving personal profit.

2.13 "Eligible Employee" means an Employee who is determined to be eligible to participate in this Plan and receive benefits under Article Three

2.14 (a) "Employee" means a person who is

(i) a regular full-time salaried employee of the Employing Company principally employed in the continental United States, Alaska or Hawaii;

(ii) employed by an Employing Company for work on a regular full-time salaried schedule of at least 40 hours per week for an indefinite period; or

(iii) a regular employee who has been demoted or transferred from a full-time salaried position to an hourly position and who, in the discretion of Employing Company is deemed to retain his or her eligibility to participate in the Plan.

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(b) "Employee" does not, under any circumstance, mean a person who is

(i) an employee whose compensation is determined on an hourly basis or who holds a position with the Employing Company that is generally characterized as an "hourly" position, except where a specific employee is, after demotion, deemed to be eligible to participate in the Plan under paragraph (a) (iii), above;

(ii) an employee who is classified by the Employing Company as a temporary employee;

(iii) an employee who is a member of a bargaining unit unless the employee's union has bargained this Plan pursuant to a current collective bargaining agreement between the Employing Company and the union or the employee's union bargains this Plan pursuant to the bargaining obligations mandated by the National Labor Relations Act;

(iv) an employee retained by the Employing Company under a written contract, other than a Change of Control Contract;

(v) any worker who is retained by the Company or Employing Company as a "independent contractor," "leased employee," or "temporary employee" but who is reclassified as an "employee" of the Company or Employing Company by a state or federal agency or court of competent jurisdiction; or

(vi) an employee who is a member of the Board of Directors of the Employing Company.

2.15 "Employing Company" means the Company or any subsidiary of the Company electing to participate in this Plan under the provisions of Section 7.1.

2.16 "ERISA" means the Employee Retirement Income Security Act of 1974, as from time to time amended, and all regulations and rulings issued thereunder by governmental administrative bodies.

2.17 "Plan" means the Separation Benefit Plan of Unit Corporation and Participating Subsidiaries Plan, as set forth herein and as hereafter amended from time to time.

2.18 "Separation Benefit" means the benefit provided for under this Plan as determined under Article Three.

2.19 "Separation Period" means the period of time over which an Employee receives Separation Benefits under the Plan in semimonthly or other installment payments.

2.20 "Termination of Employment" means an Employee's separation from the service of an Employing Company determined by the Employing Company, provided that a Termination of Employment does not include any separation from service resulting from:

(i) Discharge for Cause,



(ii) court decree or government action or recommendation having an effect on an Employing Company operations or manpower involving rationing or price control or any other similar type cause beyond the control of an Employing Company,

(iii) prior to a Change in Control, an offer to the Employee of a position with an Employing Company, or affiliate, regardless whether the position offered provides comparable wages and benefits to the position formerly held by the Employee,

(iv) termination pursuant to which an Employee accepts any benefits under an incentive retirement plan or other severance or separation plan,

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(v) termination of an Employee who has a written employment contract which contains severance provisions, or

(vi) failure of an Employee to report to work as required by his or her Employing Company.

Temporary work cessations due to strikes, lockouts or similar reasons shall not be considered a Termination of Employment. An Employee's separation from service in connection with the divestiture of any business of an Employing Company shall not constitute a Termination of Employment if the Employee is offered a Comparable Position by the purchaser or successor of such business, an affiliate thereof, or an affiliate of an Employing Company. A separation from service by an Employee who is offered a Comparable Position arranged for or secured by an Employing Company does not constitute a Termination of Employment.

Notwithstanding anything in this Section 2.20 to the contrary, a Termination of Employment shall be deemed to include any termination pursuant to which an Employee is entitled to receive benefits under the terms of a Change of Control Contract.

A Termination of Employment shall be effective on the date specified by the Employing Company (the "Termination Date").

2.21 "Years of Service" means the sum of the number of continuous Completed Years of Service as an Employee of an Employing Company during the period of employment beginning with the Employee's most recent hire date and ending with the Employee's most recent termination date.

### Article 3. Benefits

#### Section 3.1 Eligibility

Each Employee who has at least one active Year of Service with an Employing Company immediately preceding the date of his or her Termination of Employment, who complies with all administrative requirements of this Plan, including the provisions of Article Five, and who works through his/her Termination Date and who is not engaged in a strike or lockout as of the Termination Date, is eligible to participate in this Plan and, subject to all the terms of the Plan, receive benefits as provided in this Article Three. An Employee is ineligible to participate in this Plan if such Employee fails to satisfy any of the requirements of this Plan including, but not limited to, failure to establish that his or her termination meet the requirements for a Termination of Employment.

#### Section 3.2 Separation Benefit

A Separation Benefit shall be provided for Eligible Employees under the provisions of this Article Three.

#### Section 3.3 Separation Benefit Amount

The Separation Benefit payable to an Eligible Employee under the Plan shall be based, in part, on his/her Years of Service with the Company, or Employing Company. The formula for determining an Employee's Separation Benefit payment shall be calculated by dividing the Employee's average Base Salary for the one year period ending immediately prior to the date of Termination of Employment by 52 to calculate the weekly separation benefit (the "Weekly Separation Benefit"). The amount of the Separation Benefit payable to the Eligible Employee shall then be determined in accordance with the following applicable provision:

3.3.1 Involuntary separation - In the event the Termination of Employment is the result of an Employing Company terminating the employment of the Eligible Employee, the Separation Benefit shall be determined according to the following schedule:

Involuntary Separation  
Schedule of Separation Benefits

Years of Service -----	Number of Weekly Separation Benefit Payments -----	Years of Service -----	Number of Weekly Separation Benefit Payments -----
1	4	14	56
2	8	15	60
3	12	16	64
4	16	17	68
5	20	18	72
6	24	19	76
7	28	20	80
8	32	21	84
9	36	22	88
10	40	23	92
11	44	24	96
12	48	25	100
13	52	26 or more	104

3.3.2 Voluntary separation or death of the Eligible Employee - In the event the Termination of Employment is the result of the Eligible Employee's own action (such as by way of example and not limitation, quitting, resignation or retirement) or is as a result of the Eligible Employee's death, the Separation Benefit shall be determined according to the following Schedule:

Voluntary Separation  
Schedule of Separation Benefits

Years of Service -----	Number of Weekly Separation Benefit Payments -----
1-19	0
20	80
21	84
22	88
23	92
24	96
25	100
26 or more	104

Under certain exceptional circumstances the Administration Committee may, in its sole and absolute discretion, choose to treat a voluntary separation as an involuntary separation and allow an Eligible Employee to receive Separation Benefits in accordance with the schedule set forth in Section 3.3.1.

#### Section 3.4 Separation Benefit Limitation

Notwithstanding anything in the Plan to the contrary, the Separation Benefit payable to any Eligible Employee under this Plan shall never exceed the lesser of (i) 104 Weekly Separation Benefit payments; or (ii) the amount permitted under ERISA to maintain this Plan as a welfare benefit plan. The benefits payable under this Plan shall be inclusive of and offset by any other severance or termination payments (other than those made pursuant to a Change of Control Contract) made by an Employing Company, including, but not limited to, any amounts paid pursuant to federal, state, local or foreign government worker notification (e.g., Worker Adjustment and Retraining Notification Act) or office closing requirements.

#### Section 3.5 Withholding Tax

The Employing Company shall deduct from the amount of any Separation Benefits payable under the Plan, any amount required to be withheld by the Employing Company by reason of any law or regulation, for the payment of taxes or otherwise to any federal, state, local or foreign government. In determining the amount of any applicable tax, the Employing Company shall be entitled to

rely on the number of personal exemptions on the official form(s) filed by the Employee with the Employing Company for purposes of income tax withholding on regular wages.

### Section 3.6 Reemployment of an Eligible Employee

Entitlement to the unpaid balance of any Separation Benefit amount due an Eligible Employee under this Plan shall be revoked immediately upon reemployment of the person as an Employee of an Employing Company. Such unpaid balance shall not be payable in any future period.

However, if the person's re-employment is subsequently terminated and he or she then becomes entitled to a Separation Benefit under this Plan, Years of Service for the period of re-employment shall be added to that portion of his or her prior service represented by the unpaid balance or the revoked entitlement for the prior Separation Benefit.

### Section 3.7 Integration with Disability Benefits

The Separation Benefit payable to an Eligible Employee with respect to any Separation Period shall be reduced (but not below zero) by the amount of any disability benefit payable from any disability plan or program sponsored or contributed to by an employing Company. The amount of any such reduction shall not be paid to the Eligible Employee in any future period.

### Section 3.8 Plan Benefit Offset

The amount of any severance or separation type payment that an Employing Company is or was obligated to pay to an Eligible Employee under any law, decree, court award, contract, program or other arrangement because of the Eligible Employee's separation from service from an Employing Company shall reduce the amount of Separation Benefit otherwise payable under this Plan. Notwithstanding the immediately preceding sentence, the terms of this Section 3.8 shall not be applicable to any benefits paid under a Change of Control Contract.

### Section 3.9 Recoupment

An Employing Company may deduct from the Separation Benefit any amount owing to an Employing Company from

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(a) the Eligible Employee, or

(b) the executor or administrator of the Eligible Employee's estate.

### Section 3.10 Completion of Twenty Years of Service

Any Eligible Employee who shall complete Twenty Years of Service prior to the termination of this Plan shall be vested in his/her Separation Benefit notwithstanding the subsequent termination of this Plan prior to such Employee's Termination of Employment. Any Separation Benefit deemed to have vested pursuant to this section shall be payable upon such Employee's Termination of Employment with the Employing Company and shall be paid in accordance with the greater of (1) the Plan provisions in effect immediately prior to the termination of this Plan, and (2) the Plan provisions in effect on the date the Employee completed Twenty Years of Service.

### Section 3.11 Change in Control

Unless otherwise provided in writing by the Board of Directors prior to a Change in Control of the Company, all Eligible Employees shall be vested in his/her Separation Benefit as of the date of the Change in Control based on such Eligible Employee's then Years of Service as determined by reference to the schedule set forth in Section 3.3.1 of this Plan. Any Separation Benefit deemed to have vested pursuant to this section shall be payable upon the Eligible Employee's Termination of Employment with the Employing

Company and shall be paid in accordance with the Plan provisions in effect immediately prior to the Change in Control.

## Article 4. Method of Payment

### Section 4.1 Separation Benefit Payment

Separation Benefit payments shall, unless otherwise determined by the

Administration Committee, be paid in the same manner as wages were paid to the Employee.

#### Section 4.2 Protection of Business

Any Eligible Employee who receives Separation Benefits under Section 3.3 of this Plan agrees that, in consideration of the Separation Benefits, the Employee will not, in any capacity, directly or indirectly, and on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship (collectively, the "Protection of Business Requirements"). Except as provided in the next paragraph and/or the Separation Agreement, in the event the Eligible Employee violates the Protection of Business Requirements of this Section (or the like provisions of his or her Separation Agreement), the Eligible Employee shall not be entitled to any further payments of Separation Benefits under this Plan and shall be obligated to repay the Employing Company all monies previously received as Separation Benefits. In the event of a Change in Control, Employee's obligations under this Section shall expire and be canceled, and Employee shall be entitled to Separation Benefits under this Plan in accordance with its terms even if he or she engages in conduct that would otherwise violate the Protection of Business Requirements in this Section.

#### Section 4.3 Death

(a) Termination of Employment as a result of death of Eligible Employee - In the event that the Eligible Employee's Termination of Employment is as a result of the Employee's death, the Separation Benefit shall be paid to the Eligible Employee's Beneficiary in accordance with the provisions of Section

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3.3.2, above. Payments shall be made to the Eligible Employee's Beneficiary, notwithstanding the Eligible Employee's failure to meet the waiver and release conditions of Article Five of the Plan.

(b) Death of the Eligible Employee Subsequent to Termination of Employment - - In the event that an Eligible Employee's death occurs subsequent to the date of Termination of Employment, and before receipt of any or all of the benefits to which the Eligible Employee was entitled under this Plan, then the Administration Committee may, in its sole and absolute discretion, pay a computed lump sum value of the unpaid balance of the Eligible Employee's Separation Benefit to the Eligible Employee's Beneficiary, and if there is no designated, living Beneficiary, the computed lump sum value described above may be paid to the executor or administrator of the Eligible Employee's estate. For purposes of calculating the computed lump sum value as provided herein, the Administration Committee may discount the present value of the future Separation Benefit payments using a commercially reasonable discount rate.

#### Article 5.

##### Waiver and Release of Claims

Except as provided in Section 4.3(a), above, it is a condition of this Plan that no Separation Benefit shall be paid to or for any Employee except upon due execution and delivery to the Employing Company by that Employee of a Separation Agreement in substantially the form attached to this Plan as Attachment "A" or "B" or such other form as may be designated as the required Separation Agreement from time to time, in the discretion of the Employing Company, by which the Employee waives and releases the Company, its subsidiaries and their officers, directors, agents, employees and affiliates from all claims arising or alleged to arise out of his or her employment or the termination of employment including, but not limited to the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, as amended, and all other state and federal laws governing the Employee's employment. Said waiver and release as provided in the Separation Agreement being given in exchange for and in consideration of payment of the Separation Benefit, to which the Employee would not otherwise be entitled. The determination whether the Employee shall be required to execute a Separation Agreement in the form shown by Attachment "A," "B" or otherwise shall be within the sole discretion of the Employing Company.

In connection with the execution of the Separation Agreement, the following procedures shall be followed (except as modified from time to time, in the discretion of the Employing Company): the Employee shall be advised in writing, by receiving the written text of the Separation Agreement so stating, to consult a lawyer before signing the Separation Agreement; the Employee shall be given either twenty-one (21) days (when form shown by Attachment "A" is

used), or forty-five (45) days (when form shown by Attachment "B" is used) to consider the Separation Agreement before signing; after signing, the Employee shall have seven (7) days in which to revoke the Separation Agreement; and the Separation Agreement shall not take effect until the seven (7) day revocation period has passed.

In addition, where the form shown by Attachment "B" is used, the Employee shall be given: a written statement identifying for the Employee the class, unit or group of persons eligible to participate in the Plan and any time limits for eligibility under the Plan; and the job titles and ages of all persons eligible or selected for separation under the Plan in the same job classification or organizational unit, and the ages of all persons not eligible or selected for separation under the Plan.

#### Article 6. Funding

This Plan is an unfunded employee welfare benefit plan under ERISA established by the Company. Benefits payable to Eligible Employees shall be paid out of the general assets of the Employing Company. The Employing Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Separation Benefits under the Plan.

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#### Article 7. Operation

##### Section 7.1 Employing Company Participation

Any subsidiary of the Company may participate as an Employing Company in the Plan upon the following conditions:

(a) Such subsidiary shall make, execute and deliver such instruments as the Company shall deem necessary or desirable;

(b) Such subsidiary may withdraw from participation as an Employing Company upon notice to the Company in which event such subsidiary may continue the provisions of this Plan as its own plan, and may thereafter, with respect thereto, exercise all of the rights and powers theretofore reserved to the Company; and

(c) Any modification or amendment of the Plan made or adopted by the Company shall be deemed to have been accepted by each Employing Company.

##### Section 7.2 Status of Subsidiaries

The authority of each subsidiary to act independently and in accordance with its own best judgment shall not be prejudiced or diminished by its participation in this Plan and at the same time the several Employing Company may act collectively in respect of general administration of this Plan in order to secure administrative economies and maximum uniformity.

##### Section 7.3 Termination by an Employing Company

Any Employing Company other than the Company may withdraw from participation in the Plan at any time by delivering to the Administration Committee written notification to that effect signed by such Employing Company's chief executive officer or his delegate. Withdrawal by any Employing Company pursuant to this paragraph or complete discontinuance of Separation Benefits under the Plan by any Employing Company other than the Company, shall constitute termination of the Plan with respect to such Employing Company, but such actions shall not affect any Separation Benefit that has become payable to an Eligible Employee, and such benefit shall continue to be paid in accordance with the Plan provisions in effect on the Termination of Employment.

#### Article 8. Administration

##### Section 8.1 Named Fiduciary

This Plan shall be administered by the Company acting through the Administration Committee or such other person as may be designated by the Company from time to time. The Administration Committee shall be the "Administrator" of the Plan and shall be, in its capacity as Administrator, a "Named Fiduciary," as such terms are defined or used in ERISA.

## Section 8.2      Fiduciary Responsibilities

The named fiduciary shall fulfill the duties and requirements of such a fiduciary under ERISA and is the Plan's agent for service of legal process. The named fiduciary may designate other persons to carry out such fiduciary responsibilities and may cancel such a designation. A person may serve in more than one fiduciary or administrative capacity with respect to this Plan. The named fiduciary shall periodically review the performance of the fiduciary responsibilities by each designated person.

## Section 8.3      Specific Fiduciary Responsibilities

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The Administration Committee shall be responsible for the general administration and interpretation of the Plan and the proper execution of its provisions and shall have full discretion to carry out its duties. In addition to any powers of the Administration Committee specified elsewhere in this Plan, the Administration Committee shall have all discretionary powers necessary to discharge its duties under this Plan, including, but not limited to, the following discretionary powers and duties:

8.3.1 To interpret or construe the terms of the Plan, including eligibility to participate, and resolve ambiguities, inconsistencies and omissions;

8.3.2 To make and enforce such rules and regulations and prescribe the use of such forms as it deems necessary or appropriate for the efficient administration of the Plan; and

8.3.3 To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

## Section 8.4      Allocations and Delegations of Responsibility

The Board of Directors and the Administration Committee respectively shall have the authority to delegate, from time to time, all or any part of its responsibilities under this Plan to such person or persons as it may deem advisable and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administration Committee. The Company, the Board of Directors and the Administration Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall report periodically to the Board of Directors or the Administration Committee, as applicable, concerning the discharge of the delegated responsibilities.

The Board of Directors and the Administration Committee respectively shall have the authority to allocate, from time to time, all or any part of its responsibilities under this Plan to one or more of its members as it may deem advisable, and in the same manner to remove such allocation of responsibilities. Any action of the member to whom responsibilities are allocated in the exercise of such allocated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administration Committee. The Company, the Board of Directors and the Administration Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall report periodically to the Board of Directors or the Administration Committee, as applicable, concerning the discharge of the allocated responsibilities.

## Section 8.5      Advisors

The named fiduciary or any person designated by the named fiduciary to carry out fiduciary responsibilities may employ one or more persons to render advice with respect to any responsibility imposed by this Plan.

## Section 8.6      Plan Determination

The determination of the Administration Committee as to any question involving the general administration and interpretation or construction of the Plan shall be within its sole discretion and shall be final, conclusive and binding on all persons, except as otherwise provided herein or by law.

## Section 8.7      Claims Review Procedure

Consistent with the requirements of ERISA and the regulations thereunder as promulgated by the Secretary of Labor from time to time, the following claims

review procedure shall be followed with respect to the denial of Separation Benefits to any Employee:

8.7.1 Within thirty (30) days from the date of an Employee's Termination of Employment, the Employing Company shall furnish such Employee with an agreement and release offering Separation Benefits under

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the Plan or notice of such Employee's ineligibility for or denial of Separation Benefits, either in whole or in part. Such notice from the Employing Company will be in writing and sent to the Employee or the legal representatives of his estate stating the reasons for such ineligibility or denial and, if applicable, a description of additional information that might cause a reconsideration by the Administration Committee or its delegate of the decision and an explanation for the Plan's claims review procedure. In the event such notice is not furnished within thirty (30) days, any claim for Separation Benefits shall be deemed denied and the Employee shall be permitted to proceed to Section 8.7.2 below.

8.7.2 Each Employee may submit a claim for benefits to the Administration Committee (or to such other person as may be designated by the Administration Committee) in writing in such form as is permitted by the Administration Committee. An Employee shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this section.

When claim for benefits has been filed properly, such claim for benefits shall be evaluated and the Employee shall be notified of the approval or the denial within ninety (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the Employee prior to the termination of the initial ninety (90) day period which shall specify the special circumstances requiring an extension and the date by which a final decision shall be reached (which date shall not be later than one hundred and eighty (180) days after the date on which the claim was filed). The Employee shall be given a written notice in which the Employee shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied by the Administration Committee, in whole or in part, the Employee shall be given written notice which shall contain (1) the specific reasons for the denial, (2) references to pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (4) the Employee's rights to seek review of the denial.

8.7.3 If a claim is denied, in whole or in part, the Employee shall have the right to request that the Administration Committee review the denial, provided that the Employee files a written request for review with the Administration Committee within sixty (60) days after the date on which the Employee received written notification of the denial. The Employee (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Administration Committee. Within a reasonable period, which shall not be later than sixty (60) days after a request for review is received the review shall be made and the Employee shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the Employee shall be given a written notification within such initial sixty (60) day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed). The decision on review shall be forwarded to the Employee in writing and shall include specific reasons for the decision and references to Plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons.

8.7.4 If an Employee fails to file a request for review in accordance with the procedures herein outlined, such Employee shall have no rights to review and shall have no right to bring action in any court and the denial of the claim shall become final and binding on all Persons for all purposes.

8.7.5 The determinations whether any person qualifies as an Eligible Employee under the Plan; and whether to grant or deny any claim for benefits under this Plan shall be made by the Administration Committee, in

its sole and absolute discretion, and all such determinations shall be conclusive and binding on all persons to the maximum extent permitted by law.

#### Section 8.8 Modification and Termination

The Company may at any time, without notice or consent of any person, terminate or modify this Plan in whole or in part, and such termination or modification shall apply to existing as well as to future employees, but such actions shall not affect any Separation Benefit that has become payable to an Eligible Employee, and such benefit shall continue to be paid in accordance with the Plan provisions in effect on the date of the Termination of Employment.

#### Section 8.9 Indemnification

To the extent permitted by law, the Company shall indemnify and hold harmless the members of the Board of Directors, the Administration Committee members, and any employee to whom any fiduciary responsibility with respect to this Plan is allocated or delegated to, and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission to act, in connection with the performance of his/her duties, responsibilities and obligations under this Plan, ERISA and other applicable law, other than such liabilities, costs and expenses as may result from the gross negligence or willful misconduct of any such person. The foregoing right of indemnification shall be in addition to any other right to which any such person may be entitled as a matter of law or otherwise. The Company may obtain, pay for and keep current a policy or policies of insurance, insuring the members of the Board of Directors, the Administration Committee members and any other employees who have any fiduciary responsibility with respect to this Plan from and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission, in connection with the performance of his/her duties, responsibilities and obligations under this Plan and under ERISA.

#### Section 8.10 Successful Defense

A person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding or claim or demand of the character described in Section 8.9 above shall be entitled to indemnification as authorized in such Section 8.9.

#### Section 8.11 Unsuccessful Defense

Except as provided in Section 8.10 above, any indemnification under Section 8.9 above, unless ordered by a court of competent jurisdiction, shall be made by the Company only if authorized in the specific case:

8.11.1 By the Board of Directors acting by a quorum consisting of directors who are not parties to such action, proceeding, claim or demand, upon a finding that the member of the Administration Committee has met the standard of conduct set forth in Section 8.9 above; or

8.11.2 If a quorum under Section 8.11.1 above is not obtainable with due diligence the Board of Directors upon the opinion in writing of independent legal counsel (who may be counsel to any Employing Company) that indemnification is proper in the circumstances because the standard of conduct set forth in Section 8.9 above has been met by such member of the Administration Committee.

#### Section 8.12 Advance Payments

Expenses incurred in defending a civil or criminal action or proceeding or claim or demand may be paid by the Company or Employing Company, as applicable, in advance of the final disposition of such action or proceeding, claim or demand, if authorized in the manner specified in Section 8.11 above, except

that, in view of the obligation of repayment set forth in Section 8.13 below, there need be no finding or opinion that the required standard of conduct has been met.

#### Section 8.13 Repayment of Advance Payments



All expenses incurred, in defending a civil or criminal action or proceeding, claim or demand, which are advanced by the Company or Employing Company, as applicable, under Section 8.12 above shall be repaid in case the person receiving such advance is ultimately found, under the procedures set forth in this Article Eight, not to be entitled to the extent the expenses so advanced by the Company exceed the indemnification to which he or she is entitled.

#### Section 8.14 Right of Indemnification

Notwithstanding the failure of the Company or Employing Company, as applicable, to provide indemnification in the manner set forth in Section 8.11 and 8.12 above, and despite any contrary resolution of the Board of Directors or of the shareholders in the specific case, if the member of the Administration Committee has met the standard of conduct set forth in Section 8.9 above, the person made or threatened to be made a party to the action or proceeding or against whom the claim or demand has been made, shall have the legal right to indemnification from the Company or Employing Company, as applicable, as a matter of contract by virtue of this Plan, it being the intention that each such person shall have the right to enforce such right of indemnification against the Company or Employing Company, as applicable, in any court of competent jurisdiction.

#### Article 9. Effective Date

This Plan shall be effective as amended and restated on and after December 14, 2004.

#### Article 10. Miscellaneous

##### Section 10.1 Assignment

An Employee's right to benefits under this Plan shall not be assigned, transferred, pledged, encumbered in any way or subject to attachment or garnishment, and any attempted assignment, transfer, pledge, encumbrance, attachment, garnishment or other disposition of such benefits shall be null and void and without effect.

##### Section 10.2 Governing Law

To the extent not governed by federal law, this Plan and all action taken under it shall be governed by the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of the Plan is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of the Plan not encompassed in the court's holding. Where necessary to maintain the Plan's validity, a court of competent jurisdiction may modify the terms of this Plan to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

##### Section 10.3 Employing Company Records

The records of the Employing Company with regard to any person's Eligible Employee status, Beneficiary status, employment history, Years of Service and all other relevant matters shall be conclusive for purposes of administration of the Plan.

##### Section 10.4 Employment Non-Contractual

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This Plan is not intended to and does not create a contract of employment, express or implied, and an Employing Company may terminate the employment of any employee with or without cause as freely and with the same effect as if this Plan did not exist. Nothing contained in the Plan shall be deemed to qualify, limit or alter in any manner the Employing Company's sole and complete authority and discretion to establish, regulate, determine or modify at all time, the terms and conditions of employment, including, but not limited to, levels of employment, hours of work, the extent of hiring and employment termination, when and where work shall be done, marketing of its products, or any other matter related to the conduct of its business or the manner in which its business is to be maintained or carried on, in the same manner and to the same extent as if this Plan were not in existence.

##### Section 10.5 Taxes

Neither an Employing Company nor any fiduciary of this Plan shall be liable for any taxes incurred by an Eligible Employee or Beneficiary for Separation Benefit payments made pursuant to this Plan.

#### Section 10.6 Binding Effect

This Plan shall be binding on the Company, any Employing Company and their successors and assigns, and the Employee, Employee's heirs, executors, administrators and legal representatives. As used in this Plan, the term "successor" shall include any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets or business of the Company or any Employing Company.

#### Section 10.7 Entire Agreement

This Plan constitutes the entire understanding between the parties hereto and may be modified only in accordance with the terms of this Plan.

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#### SEPARATION AGREEMENT "A"

[Name of Employing Company] ("Unit") and \_\_\_\_\_  
("Employee") hereby agree as follows:

Employee's employment will end on \_\_\_\_\_, 20\_\_.

In consideration for Employee's agreement to the terms and conditions of this Separation Agreement ("Agreement"), Unit will pay to Employee a Separation Benefit of \$ \_\_\_\_\_ in accordance with and subject to the terms of the Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (the "Plan").

Employee knows that state and federal laws, including the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, prohibit employment discrimination based on age, sex, race, color, national origin, religion, handicap, disability, or veteran status, and that these laws are enforced through the United States Equal Employment Opportunity Commission ("EEOC"), United States Department of Labor, and State Human Rights Agencies.

EMPLOYEE IS ADVISED TO CONSULT AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

EMPLOYEE HAS TWENTY ONE DAYS AFTER RECEIVING THIS AGREEMENT TO CONSIDER WHETHER TO SIGN THIS AGREEMENT.

AFTER SIGNING THIS AGREEMENT, EMPLOYEE HAS ANOTHER SEVEN (7) DAYS IN WHICH TO REVOKE CONSENT TO THIS AGREEMENT. THIS AGREEMENT DOES NOT TAKE EFFECT UNTIL THOSE SEVEN DAYS HAVE PASSED.

In exchange for receipt of the Separation Benefit described above, to which Employee acknowledges he or she is not otherwise entitled, Employee forever releases and discharges Unit Corporation and its subsidiaries, their officers, directors, agents, employees, and affiliates from all claims, liabilities, and lawsuits arising out of Employee's employment or the termination of that employment, and agrees not to assert any such claim, liability or lawsuit. Employee agrees that this release and discharge includes any claim under the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, and any claim under other federal, state or local statute or regulation relating to employment discrimination or employee benefits. Employee agrees that this release and discharge includes any claim under any other statute, regulation or common law rule relating to Employee's employment or termination of employment. This Agreement does not have any effect with respect to acts or events occurring after the date upon which Employee signs the Agreement. This Agreement does not limit any benefits to which Employee is entitled under any retirement plans, if any.

As further consideration for the payment of the Separation Benefit described above, Employee agrees that Employee will not, in any capacity directly or indirectly and on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship (collectively, the "Protection of Business Requirements").

Except as provided in the next paragraph, in the event Employee violates the Protection of Business Requirements hereof, Employee shall not be entitled to any further payments of Separation Benefits under the Plan or this Agreement and shall be obligated to repay Unit all Separation Benefit payments previously received under the Plan and this Agreement.

In the event of a Change in Control of Unit Corporation (as defined in the Plan), Employee's obligations regarding the Protection of Business Requirements under this Agreement shall expire and be canceled, and Employee shall be entitled to Separation Benefits provided under the Plan in accordance with the

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terms of the Plan, notwithstanding whether Employee thereafter engages in conduct that would otherwise violate the Protection of Business Requirements as described in this Agreement.

Employee has carefully read and fully understands all the provisions of this Agreement. This is the entire Agreement between the parties and is legally binding and enforceable. Employee agrees that he or she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

This Agreement shall be governed and interpreted under federal law and the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of this Agreement is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of this Agreement not encompassed in the court's holding. Where necessary to maintain this Agreement's validity, a court of competent jurisdiction may modify the terms of this Agreement to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

Employee agrees that he or she has carefully read and fully understands all the provision of this Agreement. This is the entire Agreement between the parties, and it is legally binding and enforceable. Employee agrees that he or she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

Employee knowingly and voluntarily signs this Agreement.

1. Employee acknowledges receipt of this Agreement on this \_\_\_\_ day of, \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

2. Employee acknowledges signing and, in signing, consenting to this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

3. Employee acknowledges that the seven (7) day revocation period shall end,

and this agreement shall be effective and enforceable as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

(Name of Employing Company)

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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SEPARATION AGREEMENT "B"

[Name of Employing Company] ("Unit") and \_\_\_\_\_  
("Employee") hereby agree as follows:

Employee's employment will end on \_\_\_\_\_, 20\_\_.

In consideration for Employee's agreement to the terms and conditions of this Separation Agreement ("Agreement"), Unit will pay to Employee a Separation Benefit of \$ \_\_\_\_\_, in accordance with, and subject to the terms of the Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (the "Plan").

Employee knows that state and federal laws, including the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, prohibit employment discrimination based upon age, sex, race, color, national origin, religion, handicap, disability, or veteran status, and that these laws are enforced through the United States Equal Employment Opportunity Commission ("EEOC"), United States Department of Labor, State Human Rights Agencies and courts of competent jurisdiction.

EMPLOYEE IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

EMPLOYEE HAS FORTY FIVE (45) DAYS AFTER RECEIVING THIS AGREEMENT, AND THE WRITTEN STATEMENT PROVIDED WITH THIS AGREEMENT, TO CONSIDER WHETHER TO SIGN THIS AGREEMENT.

AFTER SIGNING THIS AGREEMENT, EMPLOYEE HAS ANOTHER SEVEN (7) DAYS IN WHICH TO REVOKE CONSENT TO THIS AGREEMENT. THIS AGREEMENT DOES NOT TAKE EFFECT UNTIL THOSE SEVEN (7) DAYS HAVE PASSED.

EMPLOYEE ACKNOWLEDGES THAT, ALONG WITH THIS AGREEMENT, HE OR SHE HAS BEEN GIVEN A WRITTEN STATEMENT: (A) WHICH DESCRIBES THE CLASS, UNIT, OR GROUP OF INDIVIDUALS COVERED BY THE PLAN, ELIGIBILITY FACTORS UNDER THE PLAN, AND ANY TIME LIMITS APPLICABLE TO THE PLAN; AND (B) THE JOB TITLES AND AGES OF ALL INDIVIDUALS ELIGIBLE OR SELECTED FOR TERMINATION UNDER THE PLAN WITH THIS EMPLOYEE, AND THE AGES AND JOB TITLES OF ALL INDIVIDUALS IN THE SAME JOB CLASSIFICATION OR TITLE AS THOSE EMPLOYEES ELIGIBLE OR SELECTED FOR TERMINATION UNDER THE PLAN WHO ARE NOT ELIGIBLE OR SELECTED FOR TERMINATION.

In exchange for receipt of the Separation Benefit described above, to which Employee acknowledges he or she is not otherwise entitled, Employee forever releases and discharges Unit Corporation and its subsidiaries, their officers, directors, agents, employees, and affiliates from all claims, liabilities, and lawsuits arising out of Employee's employment or the termination of that employment, and agrees not to assert any such claim, liability or lawsuit. Employee agrees that this release and discharge includes

any claim under the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, and any claim under other federal, state or local statute or regulation relating to employment discrimination or employee benefits. Employee agrees that this release and discharge includes any claim under any other statute, regulation or common law rule relating to Employee's employment or termination of employment. This Agreement does not have any effect with respect to acts or events occurring after the date upon which Employee signs the Agreement. This Agreement does not limit any benefits to which Employee is entitled under any retirement plans, if any.

Employee agrees that he or she has carefully read and fully understands all the provision of this Agreement. This is the entire Agreement between the parties, and it is legally binding and enforceable. Employee agrees that he or

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she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

This Agreement shall be governed and interpreted under federal law and the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of this Agreement is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of this Agreement not encompassed in the court's holding. Where necessary to maintain this Agreement's validity, a court of competent jurisdiction may modify the terms of this Agreement to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

Employee knowingly and voluntarily signs this Agreement.

1. Employee acknowledges receipt of this Agreement on this \_\_\_\_ day of, \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

2. Employee acknowledges signing and, in signing, consenting to this Agreement on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

3. Employee acknowledges that the seven (7) day revocation period shall end, and this Agreement shall be effective and enforceable as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_;

\_\_\_\_\_  
(Employee)

(Name of Employing Company)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



SPECIAL SEPARATION BENEFIT PLAN  
OF UNIT CORPORATION AND  
PARTICIPATING SUBSIDIARIES

effective

October 19, 2004

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Attachment A - Separation Agreement

Attachment B - Separation Agreement

# SPECIAL SEPARATION BENEFIT PLAN

## OF UNIT CORPORATION AND

## PARTICIPATING SUBSIDIARIES

### Introduction

The purpose of this Plan is to provide financial assistance to Eligible Employees whose employment has terminated under certain conditions, in



consideration of the waiver and release by such employees of any claims arising or alleged to arise from their employment or the termination of employment. No employee is entitled to any payment under this Plan except in exchange for and upon the Employing Company's receipt of a written waiver and release given in accordance with the provisions of this Plan.

ARTICLE 1.  
SCOPE

Section 1.1 Name

This Plan shall be known as the Special Separation Benefit Plan of Unit Corporation and Participating Subsidiaries.

Section 1.2 Plan Year

The Plan Year is the calendar year. The initial Plan Year is the period October 19, 2004 through December 31, 2004.

ARTICLE 2.  
DEFINITIONS

- 2.1 "Administration Committee" means the Committee established and appointed by the Board of Directors or by a committee of the Board of Directors.
- 2.2 "Base Salary" means the regular basic cash remuneration before deductions for taxes and other items withheld, and without regard to any salary reduction pursuant to any plans maintained by an Employing Company under Section 401 (k) or 125 of the Code, payable to an Employee for services rendered to an Employing Company, but not including pay for Bonuses, incentive compensation, special pay, awards or commissions.
- 2.3 "Beneficiary" means the person designated by an Eligible Employee in a written instrument filed with an Employing Company to receive benefits under this Plan.
- 2.4 "Board of Directors" means the board of directors of the Company.
- 2.5 "Bonus" means any annual incentive compensation paid to an Employee over and above Base Salary earned that is paid in cash or otherwise.
- 2.6 "Change in Control" of the Company shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(i) On the close of business on the tenth day following the time the Company learns of the acquisition by any individual entity or group (a "Person"), including any "person" within the meaning of Section 13(d) (3) or 14(d) (2) of the Exchange Act, of beneficial ownership within the meaning of Rule 13d 3 promulgated under the Exchange Act, of 15% or more of either (i) the then outstanding shares of Common Stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power

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of the then outstanding securities of the Company entitled to vote generally in the election of Directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (A) any acquisition directly from the Company (excluding any acquisition resulting from the exercise of an exercise, conversion or exchange privilege unless the security being so exercised, converted or exchanged was acquired directly from the Company); (B) any acquisition by the Company; (C) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; (D) any acquisition by any corporation pursuant to a transaction with complies with clauses (i), (ii) and (iii) of subsection (iii) of this definition; and (E) if the Board of Directors of the Company determines in good faith that a Person became the beneficial owner of 15% or more of the Outstanding Company Common Stock inadvertently (including, without limitation, because (A) such Person was unaware that it beneficially owned a percentage of Outstanding Company Common Stock that would cause a Change of Control or (B) such Person was aware of the extent of its beneficial ownership of Outstanding Company Common Stock but had no actual knowledge of the consequences of such beneficial ownership under this Plan) and without any intention of changing or influencing control of the Company, then the beneficial ownership of Outstanding Company Common Stock by that Person shall not be deemed to be or to have become a Change of Control for any purposes of this Plan unless and until such Person shall have failed

to divest itself, as soon as practicable (as determined, in good faith, by the Board of Directors of the Company), of beneficial ownership of a sufficient number of Outstanding Company Common Stock so that such Person's beneficial ownership of Outstanding Company Common Stock would no longer otherwise qualify as a Change of Control.

(ii) individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided that any individual who becomes a Director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least a majority of the Directors then comprising the Incumbent Board shall be deemed a member of the Incumbent Board; and provided further, that any individual who was initially elected as a Director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board shall not be deemed a member of the Incumbent Board;

(iii) approval by the stockholders of the company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (a "Corporate Transaction"); excluding, however, a Corporate Transaction Pursuant to which (i) all or substantially all of the individuals or entities who are the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 70% of, respectively, the outstanding shares of common stock, and the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of Directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or indirectly) in substantially the same proportions relative to each other as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Common stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than: the Company; the corporation resulting from such Corporate Transaction; and any Person which beneficially owned, immediately prior to such Corporate Transaction, directly or indirectly, 25% or more of the Outstanding Company Common Stock or the Outstanding Voting Securities, as the case may be) will beneficially own, directly or indirectly, 25% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding securities of such corporation entitled to vote generally in the election of Directors and (iii)

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individuals who were members of the Incumbent Board will constitute a majority of the members of the Board of Directors of the corporation resulting from such Corporate Transaction; or

(iv) approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company.

- 2.7 "Change of Control Contract" means a Unit Corporation Key Employee Change of Control Contract entered into between Unit Corporation and the individual identified in such agreement as "Executive."
- 2.8 "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 2.9 "Company" means Unit Corporation, the sponsor of this Plan.
- 2.10 "Comparable Position" means a job with an Employing Company or successor company at the same or higher Base Salary as an Employee's current job and at a work location within reasonable commuting distance from an Employee's home, as determined by such Employee's Employing Company.
- 2.11 "Completed Year of Service" means the period of time beginning with an Employee's date of hire or the anniversary of such date of hire and ending twelve months thereafter.
- 2.12 "Discharge for Cause" means termination of the Employee's employment by the Employing Company due to:

(i) the consistent failure of the Employee to perform the Employee's prescribed duties to the Employing Company (other than any such failure resulting from the Employee's incapacity due to physical or mental illness);

(ii) the commission by the Employee of a wrongful act that caused or was reasonably likely to cause damage to the Employing Company;

(iii) an act of gross negligence, fraud, unfair competition, dishonesty or misrepresentation in the performance of the Employee's duties on behalf of the Employing Company;

(iv) the conviction of or the entry of a plea of nolo contendere by the Employee to any felony or the conviction of or the entry of a plea of nolo contendere to any offense involving dishonesty, breach of trust or moral turpitude; or

(v) a breach of an Employee's fiduciary duty involving personal profit.

2.13 "Eligible Employee" means an Employee who is determined to be eligible to participate in this Plan and receive benefits under Article Three.

2.14 (a) "Employee" means a person who is

(i) a regular full-time salaried employee of the Employing Company principally employed in the continental United States, Alaska or Hawaii;

(ii) employed by an Employing Company for work on a regular full-time salaried schedule of at least 40 hours per week for an indefinite period; or

(iii) a regular employee who has been demoted or transferred from a full-time salaried position to an hourly position and who, in the discretion of Employing Company is deemed to retain his or her eligibility to participate in the Plan.

(b) "Employee" does not, under any circumstance, mean a person who is

(i) an employee whose compensation is determined on an hourly basis or who holds a position with the Employing Company that is generally characterized as an "hourly" position, except where a specific employee is,

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after demotion, deemed to be eligible to participate in the Plan under paragraph (a)(iii), above;

(ii) an employee who is classified by the Employing Company as a temporary employee;

(iii) an employee who is a member of a bargaining unit unless the employee's union has bargained this Plan pursuant to a collective bargaining agreement between the Employing Company and the union or the employee's union bargains this Plan pursuant to bargaining obligations mandated by the National Labor Relations Act;

(iv) an employee retained by the Employing Company under a written contract, other than a Change of Control Contract;

(v) any worker who is retained by the Company or Employing Company as a "independent contractor," "leased employee," or "temporary employee" but who is reclassified as an "employee" of the Company or Employing Company by a state or federal agency or court of competent jurisdiction; or

(vi) an employee who is a member of the Board of Directors of the Employing Company.

2.15 "Employing Company" means the Company or any subsidiary of the Company electing to participate in this Plan under the provisions of Section 7.1.

2.16 "ERISA" means the Employee Retirement Income Security Act of 1974, as from time to time amended, and all regulations and rulings issued thereunder by governmental administrative bodies.

2.17 "Plan" means the Special Separation Benefit Plan of Unit Corporation and Participating Subsidiaries Plan, as set forth herein and as hereafter

amended from time to time.

- 2.18 "Separation Benefit" means the benefit provided for under this Plan as determined under Article Three.
- 2.19 "Separation Period" means the period of time over which an Employee receives Separation Benefits under the Plan in semimonthly or other installment payments.
- 2.20 "Termination of Employment" means an Employee's separation from the service of an Employing Company determined by the Employing Company, provided that a Termination of Employment does not include any separation from service resulting from:

(i) Discharge for Cause,

(ii) court decree or government action or recommendation having an effect on an Employing Company operations or manpower involving rationing or price control or any other similar type cause beyond the control of an Employing Company,

(iii) prior to a Change in Control, an offer to the Employee of a position with an Employing Company, or affiliate, regardless whether the position offered provides comparable wages and benefits to the position formerly held by the Employee,

(iv) termination pursuant to which an Employee accepts any benefits under an incentive retirement plan or other severance or separation plan,

(v) termination of an Employee who has a written employment contract which contains severance provisions, or

(vi) failure of an Employee to report to work as required by his or her Employing Company.

Temporary work cessations due to strikes, lockouts or similar reasons shall not be considered a Termination of Employment. An Employee's separation from service in connection with the divestiture of any business of an Employing Company shall not constitute a Termination of Employment

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if the Employee is offered a Comparable Position by the purchaser or successor of such business, an affiliate thereof, or an affiliate of an Employing Company. A separation from service by an Employee who is offered a Comparable Position arranged for or secured by an Employing Company does not constitute a Termination of Employment.

Notwithstanding anything in this Section 2.20 to the contrary, a Termination of Employment shall be deemed to include any termination pursuant to which an Employee is entitled to receive benefits under the terms of a Change of Control Contract.

A Termination of Employment shall be effective on the date specified by the Employing Company (the "Termination Date").

- 2.21 "Years of Service" means the sum of the number of continuous Completed Years of Service as an Employee of an Employing Company during the period of employment beginning with the Employee's most recent hire date and ending with the Employee's most recent termination date.

ARTICLE 3.  
BENEFITS

Section 3.1 Eligibility

Each Employee (i) who is selected by the Administrative Committee to participate in this Plan, (ii) who has at least one active Year of Service with an Employing Company immediately preceding the date of his or her Termination of Employment, (iii) who complies with all administrative requirements of this Plan, including the provisions of Article Five, (iv) whose termination of employment is the result of the circumstances described in Section 3.2, and (v) who works through his/her Termination Date and who is not engaged in a strike or lockout as of the Termination Date, is eligible to participate in this Plan and, subject to all the terms of the Plan, receive benefits as provided in this Article Three. An Employee is ineligible to participate in this Plan if such Employee fails to satisfy any of the requirements of this Plan including, but not limited to, failure to establish that his or her termination meet the

requirements for a Termination of Employment.

### Section 3.2 Separation Benefit

A Separation Benefit shall be provided for Eligible Employees under the provisions of this Article Three if an Eligible Employee's Termination of Employment is the result of (i) an Employing Company terminating the employment of the Eligible Employee, (ii) a voluntary termination of employment by the Eligible Employee on or after the date the Eligible Employee attains age 65 or (iii) the death of the Eligible Employee on or after the date the Eligible Employee attains age 65.

### Section 3.3 Separation Benefit Amount

The Separation Benefit payable to an Eligible Employee under the Plan shall be based, in part, on his/her Years of Service with the Company, or Employing Company. The formula for determining an Employee's Separation Benefit payment shall be calculated by dividing the Employee's average Base Salary for the one year period ending immediately prior to the date of Termination of Employment by 52 to calculate the weekly separation benefit (the "Weekly Separation Benefit"). The amount of the Separation Benefit payable to the Eligible Employee shall then be determined in accordance with the following applicable provision:

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#### Schedule of Separation Benefits

Years of Service	Number of Weekly Separation Benefit Payments	Years of Service	Number of Weekly Separation Benefit Payments
-----	-----	-----	-----
1	4	14	56
2	8	15	60
3	12	16	64
4	16	17	68
5	20	18	72
6	24	19	76
7	28	20	80
8	32	21	84
9	36	22	88
10	40	23	92
11	44	24	96
12	48	25	100
13	52	26 or more	104

### Section 3.4 Separation Benefit Limitation

Notwithstanding anything in the Plan to the contrary, the Separation Benefit payable to any Eligible Employee under this Plan shall never exceed the lesser of (i) 104 Weekly Separation Benefit payments; or (ii) the amount permitted under ERISA to maintain this Plan as a welfare benefit plan. The benefits payable under this Plan shall be inclusive of and offset by any other severance or termination payments (other than those made pursuant to a Change of Control Contract) made by an Employing Company, including, but not limited to, any amounts paid pursuant to the Separation Benefit Plan of Unit Corporation and Participating Subsidiaries, federal, state, local or foreign government worker notification (e.g., Worker Adjustment and Retraining Notification Act) or office closing requirements.

### Section 3.5 Withholding Tax

The Employing Company shall deduct from the amount of any Separation Benefits payable under the Plan, any amount required to be withheld by the Employing Company by reason of any law or regulation, for the payment of taxes or otherwise to any federal, state, local or foreign government. In determining the amount of any applicable tax, the Employing Company shall be entitled to rely on the number of personal exemptions on the official form(s) filed by the Employee with the Employing Company for purposes of income tax withholding on regular wages.

### Section 3.6 Reemployment of an Eligible Employee

Entitlement to the unpaid balance of any Separation Benefit amount due an Eligible Employee under this Plan shall be revoked immediately upon reemployment of the person as an Employee of an Employing Company. Such unpaid balance shall not be payable in any future period.

However, if the person's re-employment is subsequently terminated and he or she then becomes entitled to a Separation Benefit under this Plan, Years of Service for the period of re-employment shall be added to that portion of his or her prior service represented by the unpaid balance or the revoked entitlement for the prior Separation Benefit.

#### Section 3.7 Integration with Disability Benefits

The Separation Benefit payable to an Eligible Employee with respect to any Separation Period shall be reduced (but not below zero) by the amount of any

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disability benefit payable from any disability plan or program sponsored or contributed to by an employing Company. The amount of any such reduction shall not be paid to the Eligible Employee in any future period.

#### Section 3.8 Plan Benefit Offset

The amount of any severance or separation type payment that an Employing Company is or was obligated to pay to an Eligible Employee under any law, decree, court award, contract, program or other arrangement because of the Eligible Employee's separation from service from an Employing Company shall reduce the amount of Separation Benefit otherwise payable under this Plan. Notwithstanding the immediately preceding sentence, the terms of this Section 3.8 shall not be applicable to any benefits paid under a Change of Control Contract.

#### Section 3.9 Recoupment

An Employing Company may deduct from the Separation Benefit any amount owing to an Employing Company from

- (a) the Eligible Employee, or
- (b) the executor or administrator of the Eligible Employee's estate.

#### Section 3.10 Change in Control

Unless otherwise provided in writing by the Board of Directors prior to a Change in Control of the Company, all Eligible Employees shall be vested in his/her Separation Benefit as of the date of the Change in Control based on such Eligible Employee's then Years of Service as determined by reference to the schedule set forth in Section 3.3 of this Plan. Any Separation Benefit deemed to have vested pursuant to this section shall be payable upon the Eligible Employee's Termination of Employment with the Employing Company and shall be paid in accordance with the Plan provisions in effect immediately prior to the Change in Control.

### ARTICLE 4. METHOD OF PAYMENT

#### Section 4.1 Separation Benefit Payment

Separation Benefit payments shall, unless otherwise determined by the Administration Committee, be paid in the same manner as wages were paid to the Eligible Employee.

#### Section 4.2 Protection of Business

Any Eligible Employee who receives Separation Benefits under Section 3.3 of this Plan agrees that, in consideration of the Separation Benefits, the Employee will not, in any capacity, directly or indirectly, and on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship (collectively, the "Protection of Business Requirements"). Except as provided in the next paragraph and/or the Separation Agreement, in the event the Eligible Employee violates the Protection of Business Requirements of this Section (or the like provisions of his or her Separation Agreement), the Eligible Employee shall not be entitled to any

further payments of Separation Benefits under this Plan and shall be obligated to repay the Employing Company all monies previously received as Separation Benefits. In the event of a Change in Control, Employee's obligations under this Section shall expire and be canceled, and Employee shall be entitled to Separation Benefits under this Plan in accordance with its terms even if he or she engages in conduct that would otherwise violate the Protection of Business Requirements in this Section.

#### Section 4.3      Death

(a) Termination of Employment as a result of death of Eligible Employee - In the event that the Eligible Employee's Termination of Employment is as a result of the Employee's death, the Separation Benefit shall be paid to the

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Eligible Employee's Beneficiary in accordance with the provisions of Section 3.3, above. Payments shall be made to the Eligible Employee's Beneficiary, notwithstanding the Eligible Employee's failure to meet the waiver and release conditions of Article Five of the Plan.

(b) Death of the Eligible Employee Subsequent to Termination of Employment - - In the event that an Eligible Employee's death occurs subsequent to the date of Termination of Employment, and before receipt of any or all of the benefits to which the Eligible Employee was entitled under this Plan, then the Administration Committee may, in its sole and absolute discretion, pay a computed lump sum value of the unpaid balance of the Eligible Employee's Separation Benefit to the Eligible Employee's Beneficiary, and if there is no designated, living Beneficiary, the computed lump sum value described above may be paid to the executor or administrator of the Eligible Employee's estate. For purposes of calculating the computed lump sum value as provided herein, the Administration Committee may discount the present value of the future Separation Benefit payments using a commercially reasonable discount rate.

#### ARTICLE 5.

##### WAIVER AND RELEASE OF CLAIMS

Except as provided in Section 4.3(a), above, it is a condition of this Plan that no Separation Benefit shall be paid to or for any Employee except upon due execution and delivery to the Employing Company by that Employee of a Separation Agreement in substantially the form attached to this Plan as Attachment "A" or "B" or such other form as may be designated as the required Separation Agreement from time to time, in the discretion of the Employing Company, by which the Employee waives and releases the Company, its subsidiaries and their officers, directors, agents, employees and affiliates from all claims arising or alleged to arise out of his or her employment or the termination of employment including, but not limited to the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, as amended, and all other state and federal laws governing the Employee's employment. Said waiver and release as provided in the Separation Agreement being given in exchange for and in consideration of payment of the Separation Benefit, to which the Employee would not otherwise be entitled. The determination whether the Employee shall be required to execute a Separation Agreement in the form shown by Attachment "A," or "B" or otherwise shall be within the sole discretion of the Employing Company.

In connection with the execution of the Separation Agreement, the following procedures shall be followed (except as modified from time to time, in the discretion of the Employing Company): the Employee shall be advised in writing, by receiving the written text of the Separation Agreement so stating, to consult a lawyer before signing the Separation Agreement; the Employee shall be given either twenty-one (21) days (when form shown by Attachment "A" is used), or forty-five (45) days (when form shown by Attachment "B" is used) to consider the Separation Agreement before signing; after signing, the Employee shall have seven (7) days in which to revoke the Separation Agreement; and the Separation Agreement shall not take effect until the seven (7) day revocation period has passed.

In addition, where the form shown by Attachment "B" is used, the Employee shall be given: a written statement identifying for the Employee the class, unit or group of persons eligible to participate in the Plan and any time limits for eligibility under the Plan; and the job titles and ages of all persons eligible or selected for separation under the Plan in the same job classification or organizational unit, and the ages of all persons not eligible or selected for separation under the Plan.

#### ARTICLE 6.

##### FUNDING

This Plan is an unfunded employee welfare benefit plan under ERISA established by the Company. Benefits payable to Eligible Employees shall be paid out of the general assets of the Employing Company. The Employing Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Separation Benefits under the Plan.

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ARTICLE 7.  
OPERATION

Section 7.1 Employing Company Participation

Any subsidiary of the Company may participate as an Employing Company in the Plan upon the following conditions:

(a) Such subsidiary shall make, execute and deliver such instruments as the Company shall deem necessary or desirable;

(b) Such subsidiary may withdraw from participation as an Employing Company upon notice to the Company in which event such subsidiary may continue the provisions of this Plan as its own plan, and may thereafter, with respect thereto, exercise all of the rights and powers theretofore reserved to the Company; and

(c) Any modification or amendment of the Plan made or adopted by the Company shall be deemed to have been accepted by each Employing Company.

Section 7.2 Status of Subsidiaries

The authority of each subsidiary to act independently and in accordance with its own best judgment shall not be prejudiced or diminished by its participation in this Plan and at the same time the several Employing Company may act collectively in respect of general administration of this Plan in order to secure administrative economies and maximum uniformity.

Section 7.3 Termination by an Employing Company

Any Employing Company other than the Company may withdraw from participation in the Plan at any time by delivering to the Administration Committee written notification to that effect signed by such Employing Company's chief executive officer or his delegate. Withdrawal by any Employing Company pursuant to this paragraph or complete discontinuance of Separation Benefits under the Plan by any Employing Company other than the Company, shall constitute termination of the Plan with respect to such Employing Company, but such actions shall not affect any Separation Benefit that has become payable to an Eligible Employee, and such benefit shall continue to be paid in accordance with the Plan provisions in effect on the Termination of Employment.

ARTICLE 8.  
ADMINISTRATION

Section 8.1 Named Fiduciary

This Plan shall be administered by the Company acting through the Administration Committee or such other person as may be designated by the Company from time to time. The Administration Committee shall be the "Administrator" of the Plan and shall be, in its capacity as Administrator, a "Named Fiduciary," as such terms are defined or used in ERISA.

Section 8.2 Fiduciary Responsibilities

The named fiduciary shall fulfill the duties and requirements of such a fiduciary under ERISA and is the Plan's agent for service of legal process. The named fiduciary may designate other persons to carry out such fiduciary responsibilities and may cancel such a designation. A person may serve in more than one fiduciary or administrative capacity with respect to this Plan. The named fiduciary shall periodically review the performance of the fiduciary responsibilities by each designated person.

Section 8.3 Specific Fiduciary Responsibilities

The Administration Committee shall be responsible for the general administration and interpretation of the Plan and the proper execution of its provisions and shall have full discretion to carry out its duties. In addition



to any powers of the Administration Committee specified elsewhere in this Plan, the Administration Committee shall have all discretionary powers necessary to discharge its duties under this Plan, including, but not limited to, the following discretionary powers and duties:

8.3.1 To interpret or construe the terms of the Plan, including eligibility to participate, and resolve ambiguities, inconsistencies and omissions;

8.3.2 To make and enforce such rules and regulations and prescribe the use of such forms as it deems necessary or appropriate for the efficient administration of the Plan; and

8.3.3 To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

#### Section 8.4 Allocations and Delegations of Responsibility

The Board of Directors and the Administration Committee respectively shall have the authority to delegate, from time to time, all or any part of its responsibilities under this Plan to such person or persons as it may deem advisable and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administration Committee. The Company, the Board of Directors and the Administration Committee shall not be liable for any acts or omissions of any such delegate. The delegate shall report periodically to the Board of Directors or the Administration Committee, as applicable, concerning the discharge of the delegated responsibilities.

The Board of Directors and the Administration Committee respectively shall have the authority to allocate, from time to time, all or any part of its responsibilities under this Plan to one or more of its members as it may deem advisable, and in the same manner to remove such allocation of responsibilities. Any action of the member to whom responsibilities are allocated in the exercise of such allocated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Board of Directors or the Administration Committee. The Company, the Board of Directors and the Administration Committee shall not be liable for any acts or omissions of such member. The member to whom responsibilities have been allocated shall report periodically to the Board of Directors or the Administration Committee, as applicable, concerning the discharge of the allocated responsibilities.

#### Section 8.5 Advisors

The named fiduciary or any person designated by the named fiduciary to carry out fiduciary responsibilities may employ one or more persons to render advice with respect to any responsibility imposed by this Plan.

#### Section 8.6 Plan Determination

The determination of the Administration Committee as to any question involving the general administration and interpretation or construction of the Plan shall be within its sole discretion and shall be final, conclusive and binding on all persons, except as otherwise provided herein or by law.

#### Section 8.7 Claims Review Procedure

Consistent with the requirements of ERISA and the regulations thereunder as promulgated by the Secretary of Labor from time to time, the following claims review procedure shall be followed with respect to the denial of Separation Benefits to any Employee:

8.7.1 Within thirty (30) days from the date of an Employee's Termination of Employment, the Employing Company shall furnish such Employee with an agreement and release offering Separation Benefits under the Plan or notice of such Employee's ineligibility for or denial of Separation Benefits, either in whole or in part. Such notice from the Employing Company will be in writing and sent to the Employee or the legal representatives of his estate stating the reasons for such ineligibility or denial and, if applicable, a description of additional information that

might cause a reconsideration by the Administration Committee or its delegate of the decision and an explanation for the Plan's claims review procedure. In the event such notice is not furnished within thirty (30) days, any claim for Separation Benefits shall be deemed denied and the Employee shall be permitted to proceed to Section 8.7.2 below.

8.7.2 Each Employee may submit a claim for benefits to the Administration Committee (or to such other person as may be designated by the Administration Committee) in writing in such form as is permitted by the Administration Committee. An Employee shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this section.

When claim for benefits has been filed properly, such claim for benefits shall be evaluated and the Employee shall be notified of the approval or the denial within ninety (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the Employee prior to the termination of the initial ninety (90) day period which shall specify the special circumstances requiring an extension and the date by which a final decision shall be reached (which date shall not be later than one hundred and eighty (180) days after the date on which the claim was filed). The Employee shall be given a written notice in which the Employee shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied by the Administration Committee, in whole or in part, the Employee shall be given written notice which shall contain (1) the specific reasons for the denial, (2) references to pertinent Plan provisions upon which the denial is based, (3) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (4) the Employee's rights to seek review of the denial.

8.7.3 If a claim is denied, in whole or in part, the Employee shall have the right to request that the Administration Committee review the denial, provided that the Employee files a written request for review with the Administration Committee within sixty (60) days after the date on which the Employee received written notification of the denial. The Employee (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Administration Committee. Within a reasonable period, which shall not be later than sixty (60) days after a request for review is received the review shall be made and the Employee shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the Employee shall be given a written notification within such initial sixty (60) day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed). The decision on review shall be forwarded to the Employee in writing and shall include specific reasons for the decision and references to Plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons.

8.7.4 If an Employee fails to file a request for review in accordance with the procedures herein outlined, such Employee shall have no rights to review and shall have no right to bring action in any court and the denial of the claim shall become final and binding on all Persons for all purposes.

8.7.5 The determinations whether any person qualifies as an Eligible Employee under the Plan; and whether to grant or deny any claim for benefits under this Plan shall be made by the Administration Committee, in its sole and absolute discretion, and all such determinations shall be conclusive and binding on all persons to the maximum extent permitted by law.

## Section 8.8 Modification and Termination

The Company may at any time, without notice or consent of any person, terminate or modify this Plan in whole or in part, and such termination or modification shall apply to existing as well as to future employees, but such actions shall not affect any Separation Benefit that has become payable to an

Eligible Employee, and such benefit shall continue to be paid in accordance with the Plan provisions in effect on the date of the Termination of Employment.

#### Section 8.9 Indemnification

To the extent permitted by law, the Company shall indemnify and hold harmless the members of the Board of Directors, the Administration Committee members, and any employee to whom any fiduciary responsibility with respect to this Plan is allocated or delegated to, and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission to act, in connection with the performance of his/her duties, responsibilities and obligations under this Plan, ERISA and other applicable law, other than such liabilities, costs and expenses as may result from the gross negligence or willful misconduct of any such person. The foregoing right of indemnification shall be in addition to any other right to which any such person may be entitled as a matter of law or otherwise. The Company may obtain, pay for and keep current a policy or policies of insurance, insuring the members of the Board of Directors, the Administration Committee members and any other employees who have any fiduciary responsibility with respect to this Plan from and against any and all liabilities, costs and expenses incurred by any such person as a result of any act, or omission, in connection with the performance of his/her duties, responsibilities and obligations under this Plan and under ERISA.

#### Section 8.10 Successful Defense

A person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding or claim or demand of the character described in Section 8.9 above shall be entitled to indemnification as authorized in such Section 8.9.

#### Section 8.11 Unsuccessful Defense

Except as provided in Section 8.10 above, any indemnification under Section 8.9 above, unless ordered by a court of competent jurisdiction, shall be made by the Company only if authorized in the specific case:

8.11.1 By the Board of Directors acting by a quorum consisting of directors who are not parties to such action, proceeding, claim or demand, upon a finding that the member of the Administration Committee has met the standard of conduct set forth in Section 8.9 above; or

8.11.2 If a quorum under Section 8.11.1 above is not obtainable with due diligence; the Board of Directors upon the opinion in writing of independent legal counsel (who may be counsel to any Employing Company) that indemnification is proper in the circumstances because the standard of conduct set forth in Section 8.9 above has been met by such member of the Administration Committee.

#### Section 8.12 Advance Payments

Expenses incurred in defending a civil or criminal action or proceeding or claim or demand may be paid by the Company or Employing Company, as applicable, in advance of the final disposition of such action or proceeding, claim or demand, if authorized in the manner specified in Section 8.11 above, except that, in view of the obligation of repayment set forth in Section 8.13 below, there need be no finding or opinion that the required standard of conduct has been met.

#### Section 8.13 Repayment of Advance Payments

All expenses incurred, in defending a civil or criminal action or proceeding, claim or demand, which are advanced by the Company or Employing Company, as applicable, under Section 8.12 above shall be repaid in case the

person receiving such advance is ultimately found, under the procedures set forth in this Article Eight, not to be entitled to the extent the expenses so advanced by the Company exceed the indemnification to which he or she is entitled.

#### Section 8.14 Right of Indemnification

Notwithstanding the failure of the Company or Employing Company, as applicable, to provide indemnification in the manner set forth in Section 8.11 and 8.12 above, and despite any contrary resolution of the Board of Directors or of the shareholders in the specific case, if the member of the Administration

Committee has met the standard of conduct set forth in Section 8.9 above, the person made or threatened to be made a party to the action or proceeding or against whom the claim or demand has been made, shall have the legal right to indemnification from the Company or Employing Company, as applicable, as a matter of contract by virtue of this Plan, it being the intention that each such person shall have the right to enforce such right of indemnification against the Company or Employing Company, as applicable, in any court of competent jurisdiction.

ARTICLE 9.  
EFFECTIVE DATE

This Plan shall be effective on and after October 19, 2004.

ARTICLE 10.  
MISCELLANEOUS

Section 10.1 Assignment

An Employee's right to benefits under this Plan shall not be assigned, transferred, pledged, encumbered in any way or subject to attachment or garnishment, and any attempted assignment, transfer, pledge, encumbrance, attachment, garnishment or other disposition of such benefits shall be null and void and without effect.

Section 10.2 Governing Law

To the extent not governed by federal law, this Plan and all action taken under it shall be governed by the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of the Plan is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of the Plan not encompassed in the court's holding. Where necessary to maintain the Plan's validity, a court of competent jurisdiction may modify the terms of this Plan to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

Section 10.3 Employing Company Records

The records of the Employing Company with regard to any person's Eligible Employee status, Beneficiary status, employment history, Years of Service and all other relevant matters shall be conclusive for purposes of administration of the Plan.

Section 10.4 Employment Non-Contractual

This Plan is not intended to and does not create a contract of employment, express or implied, and an Employing Company may terminate the employment of any employee with or without cause as freely and with the same effect as if this Plan did not exist. Nothing contained in the Plan shall be deemed to qualify, limit or alter in any manner the Employing Company's sole and complete authority and discretion to establish, regulate, determine or modify at all time, the terms and conditions of employment, including, but not limited to, levels of employment, hours of work, the extent of hiring and employment termination, when and where work shall be done, marketing of its products, or any other matter

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related to the conduct of its business or the manner in which its business is to be maintained or carried on, in the same manner and to the same extent as if this Plan were not in existence.

Section 10.5 Taxes

Neither an Employing Company nor any fiduciary of this Plan shall be liable for any taxes incurred by an Eligible Employee or Beneficiary for Separation Benefit payments made pursuant to this Plan.

Section 10.6 Binding Effect

This Plan shall be binding on the Company, any Employing Company and their successors and assigns, and the Employee, Employee's heirs, executors, administrators and legal representatives. As used in this Plan, the term "successor" shall include any person, firm, corporation or other business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets or business of the Company or any Employing Company.

This Plan constitutes the entire understanding between the parties hereto and may be modified only in accordance with the terms of this Plan.

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To receive a Separation Benefit in connection with a reduction in force or other Termination of Employment affecting a group of employees, an Eligible Employee must sign the following Separation Agreement "A" provided by the Company:

SEPARATION AGREEMENT "A"

[Name of Employing Company] ("Unit") and \_\_\_\_\_  
("Employee") hereby agree as follows:

Employee's employment will end on \_\_\_\_\_, 20\_\_\_\_.

In consideration for Employee's agreement to the terms and conditions of this Separation Agreement ("Agreement"), Unit will pay to Employee a Separation Benefit of \$\_\_\_\_\_ in accordance with and subject to the terms of the Special Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (the "Plan").

Employee knows that state and federal laws, including the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, prohibit employment discrimination based on age, sex, race, color, national origin, religion, handicap, disability, or veteran status, and that these laws are enforced through the United States Equal Employment Opportunity Commission ("EEOC"), United States Department of Labor, and State Human Rights Agencies.

EMPLOYEE IS ADVISED TO CONSULT AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

EMPLOYEE HAS TWENTY ONE DAYS AFTER RECEIVING THIS AGREEMENT TO CONSIDER WHETHER TO SIGN THIS AGREEMENT.

AFTER SIGNING THIS AGREEMENT, EMPLOYEE HAS ANOTHER SEVEN (7) DAYS IN WHICH TO REVOKE CONSENT TO THIS AGREEMENT. THIS AGREEMENT DOES NOT TAKE EFFECT UNTIL THOSE SEVEN DAYS HAVE PASSED.

In exchange for receipt of the Separation Benefit described above, to which Employee acknowledges he or she is not otherwise entitled, Employee forever releases and discharges Unit Corporation and its subsidiaries, their officers, directors, agents, employees, and affiliates from all claims, liabilities, and lawsuits arising out of Employee's employment or the termination of that employment, and agrees not to assert any such claim, liability or lawsuit. Employee agrees that this release and discharge includes any claim under the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, and any claim under other federal, state or local statute or regulation relating to employment discrimination or employee benefits. Employee agrees that this release and discharge includes any claim under any other statute, regulation or common law rule relating to Employee's employment or termination of employment. This Agreement does not have any effect with respect to acts or events occurring after the date upon which Employee

signs the Agreement. This Agreement does not limit any benefits to which Employee is entitled under any retirement plans, if any.

As further consideration for the payment of the Separation Benefit described above, Employee agrees that Employee will not, in any capacity directly or indirectly and on his or her own behalf or on behalf of any other person or entity, during the period of time he or she is receiving such Separation Benefits, either (a) solicit or attempt to induce any current customer of the Company to cease doing business with the Company or (b) solicit or attempt to induce any employee of the Company to sever the employment relationship (collectively, the "Protection of Business Requirements")

Except as provided in the next paragraph, in the event Employee violates the Protection of Business Requirements hereof, Employee shall not be entitled to any further payments of Separation Benefits under the Plan or this Separation Agreement and shall be obligated to repay Unit all Separation Benefit payments previously received under the Plan and this Separation Agreement.

In the event of a Change in Control of Unit Corporation (as defined in the Plan), Employee's obligations regarding the Protection of Business Requirements under this Separation Agreement shall expire and be canceled, and Employee shall be entitled to Separation Benefits provided under the Plan in accordance with

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the terms of the Plan, notwithstanding whether Employee thereafter engages in conduct that would otherwise violate the Protection of Business Requirements described in this Agreement.

Employee has carefully read and fully understands all the provisions of this Agreement. This Separation Agreement and the Plan constitute the entire agreement between the parties and is legally binding and enforceable. Employee agrees that he or she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

This Agreement shall be governed and interpreted under federal law and the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of this Agreement is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of this Agreement not encompassed in the court's holding. Where necessary to maintain this Agreement's validity, a court of competent jurisdiction may modify the terms of this Agreement to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

Employee agrees that he or she has carefully read and fully understands all the provision of this Agreement. This is the entire agreement between the parties, and it is legally binding and enforceable. Employee agrees that he or she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

Employee knowingly and voluntarily signs this Agreement.

1. Employee acknowledges receipt of this Agreement on this \_\_\_\_\_ day of, \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_  
(Employee)

2. Employee acknowledges signing and, in signing, consenting to this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_  
(Employee)

3. Employee acknowledges that the seven (7) day revocation period shall end, and this agreement shall be effective and enforceable as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_  
(Employee)

(Name of Employing Company)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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To receive a Separation Benefit in connection with a reduction in force or other Termination of Employment affecting a group of employees, an Eligible Employee must sign the following Separation Agreement "B" provided by the Company:

SEPARATION AGREEMENT "B"

[Name of Employing Company] ("Unit") and \_\_\_\_\_  
("Employee") hereby agree as follows:

Employee's employment will end on \_\_\_\_\_, 20\_\_.

In consideration for Employee's agreement to the terms and conditions of this Separation Agreement ("Agreement"), Unit will pay to Employee a Separation Benefit of \$\_\_\_\_\_, in accordance with, and subject to the terms of the Special Separation Benefit Plan of Unit Corporation and Participating Subsidiaries (the "Plan").

Employee knows that state and federal laws, including the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, prohibit employment discrimination based upon age, sex, race, color, national origin, religion, handicap, disability, or veteran status, and that these laws are enforced through the United States Equal Employment Opportunity Commission ("EEOC"), United States Department of Labor, State Human Rights Agencies and courts of competent jurisdiction.

EMPLOYEE IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT.

EMPLOYEE HAS FORTY FIVE (45) DAYS AFTER RECEIVING THIS AGREEMENT, AND THE WRITTEN STATEMENT PROVIDED WITH THIS AGREEMENT, TO CONSIDER WHETHER TO SIGN THIS AGREEMENT.

AFTER SIGNING THIS AGREEMENT, EMPLOYEE HAS ANOTHER SEVEN (7) DAYS IN WHICH TO REVOKE CONSENT TO THIS AGREEMENT. THIS AGREEMENT DOES NOT TAKE EFFECT UNTIL THOSE SEVEN (7) DAYS HAVE PASSED.

EMPLOYEE ACKNOWLEDGES THAT, ALONG WITH THIS AGREEMENT, HE OR SHE HAS BEEN GIVEN A WRITTEN STATEMENT: (A) WHICH DESCRIBES THE CLASS, UNIT, OR GROUP OF INDIVIDUALS COVERED BY THE PLAN, ELIGIBILITY FACTORS UNDER THE PLAN, AND ANY TIME LIMITS APPLICABLE TO THE PLAN; AND (B) THE JOB TITLES AND AGES OF ALL INDIVIDUALS ELIGIBLE OR SELECTED FOR TERMINATION UNDER THE PLAN WITH THIS EMPLOYEE, AND THE AGES AND JOB TITLES OF ALL INDIVIDUALS IN THE SAME JOB CLASSIFICATION OR TITLE AS THOSE EMPLOYEES ELIGIBLE OR SELECTED FOR TERMINATION UNDER THE PLAN WHO ARE NOT ELIGIBLE OR SELECTED FOR TERMINATION.

In exchange for receipt of the Separation Benefit described above, to which Employee acknowledges he or she is not otherwise entitled, Employee forever releases and discharges Unit Corporation and its subsidiaries, their officers, directors, agents, employees, and affiliates from all claims, liabilities, and lawsuits arising out of Employee's employment or the termination of that employment, and agrees not to assert any such claim, liability or lawsuit. Employee agrees that this release and discharge includes any claim under the Age Discrimination in Employment Act and Title VII of the Civil Rights Act of 1964, as amended, and any claim under other federal, state or local statute or regulation relating to employment discrimination or employee benefits. Employee agrees that this release and discharge includes any claim under any other statute, regulation or common law rule relating to Employee's

employment or termination of employment. This Agreement does not have any effect with respect to acts or events occurring after the date upon which Employee signs the Agreement. This Agreement does not limit any benefits to which Employee is entitled under any retirement plans, if any.

Employee agrees that he or she has carefully read and fully understands all the provision of this Agreement. This is the entire Agreement between the parties, and it is legally binding and enforceable. Employee agrees that he or

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she has not relied upon any representation or statement, written or oral, not set forth in this Agreement when signing this Agreement.

This Agreement shall be governed and interpreted under federal law and the laws of the State of Oklahoma, notwithstanding such State's choice of law provisions. If any part of this Agreement is held by a court of competent jurisdiction to be void or voidable, such holding shall not apply to render void or voidable the provisions of this Agreement not encompassed in the court's holding. Where necessary to maintain this Agreement's validity, a court of competent jurisdiction may modify the terms of this Agreement to the extent necessary to effectuate its purposes as demonstrated by the terms and conditions stated herein.

Employee knowingly and voluntarily signs this Agreement.

1. Employee acknowledges receipt of this Agreement on this \_\_\_\_\_ day of, \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_ (Employee)

2. Employee acknowledges signing and, in signing, consenting to this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_ (Employee)

3. Employee acknowledges that the seven (7) day revocation period shall end, and this Agreement shall be effective and enforceable as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_;

\_\_\_\_\_ (Employee)

(Name of Employing Company)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





## CONSULTING AGREEMENT

This consulting agreement is dated December 17, 2004, and is between John G. Nikkel ("Nikkel") and Unit Corporation, a Delaware corporation (the "Corporation").

Nikkel has elected to retire as an employee and Chief Executive Officer of the Corporation effective April 1, 2005 and will cease to be an officer of the Corporation as of that date.

The board of directors of the Corporation wishes to secure the services of Nikkel as a consultant to the Corporation and Nikkel is willing to act in that capacity following his retirement.

The Corporation and Nikkel wish to enter into this agreement to describe their obligations to each other and the scope of Nikkel's services to the Corporation as an independent contractor and consultant to the Corporation after his retirement.

The parties therefore agree as follows:

1. Term of Agreement. This agreement is for a term of 1 year starting on the date of Nikkel's retirement unless it is sooner terminated by mutual written agreement of the parties. In the event of Nikkel's death during the term of this agreement, the obligations of the parties under this agreement shall terminate.

The parties, by mutual written agreement, may extend the term of this agreement for successive 1 year periods at any time before the termination of the then existing term of this agreement.

2. Consulting Fees. In consideration of Nikkel's obligations under this agreement, the Corporation shall pay Nikkel an annual consulting fee of \$70,000, with payments to be made monthly in accordance with the Corporation's usual procedures. This compensation shall be paid beginning as of Nikkel's retirement date and ending on the termination of this agreement.

During the term of this agreement the Corporation shall make available to Nikkel secretarial services and office space.

### 3. Consulting Services.

3.1 Duration and Scope. During the term of this agreement, Nikkel shall serve as a consultant to the Corporation (including its subsidiaries, affiliates and joint venture partners). Nikkel will provide the advice and counsel to the Corporation as reasonably requested by the Chief Executive Officer of the Corporation. Unless otherwise requested, Nikkel shall attend the weekly exploration meetings held by the Corporation's subsidiary Unit Petroleum Company to assist in the decisions normally made during those meetings.

3.2 Compliance with Laws. Nikkel shall comply at his expense with all applicable provisions of workers' compensation laws, unemployment compensation laws, federal social security law, the Fair Labor Standards Act, federal, state and local income tax laws, and all other applicable federal, state and local laws, regulations and codes applicable to his status as an independent contractor.

3.3 Status. As a consultant to the Corporation, Nikkel shall act as an independent contractor. Nikkel shall not have the status of an employee of the Corporation. Nikkel shall be solely responsible for and shall pay all such amounts of applicable federal and state income and self employment taxes. Except as otherwise provided in this agreement, Nikkel shall not be eligible to participate in any employee benefit, group insurance or compensation plans or

programs maintained by the Corporation; provided, however, that any rights that Nikkel may have under these plans or programs because of his prior status as an employee and officer of the Corporation (or his status as a director of the Corporation) shall not be affected by this agreement. The Corporation shall not provide Social Security, unemployment compensation, disability insurance, workers' compensation or similar coverage, or any other statutory employment

benefit, to Nikkel.

3.4 Reimbursement of Reasonable Expenses. On presentment to the Corporation of appropriate documentation of his expenses, the Corporation shall reimburse Nikkel under guidelines similar to those applicable to the Corporation's officers for reasonable expenses incurred by Nikkel during the performance of his consulting services.

#### 4. Protection of the Corporation's Interests.

4.1 Protection of Trade Secrets. For the term of this agreement, Nikkel shall not, without the prior written consent of the Corporation, disclose or use for any purpose (except in the course of his consulting services with the Corporation and in furtherance of the Corporation's business) confidential information or proprietary data of the Corporation, its subsidiaries, affiliates and joint venture partners, except as required by applicable law or legal process. Nikkel agrees to deliver to the Corporation at the termination of this agreement, or at such other time as the Corporation may request, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Corporation, its subsidiaries, affiliates and joint venture partners, that Nikkel may then possess or have under his control.

4.2 Limitation on Services Provided to Others. During the term of this agreement, Nikkel shall not, directly or indirectly:

(a) Engage in any business or activity in which the Corporation or any subsidiary, affiliate or joint venture partner of the Corporation is engaged (provided, however, that the purchase, sale and leasing of oil and gas mineral interests or participating in the drilling of oil and gas wells by Nikkel shall not be deemed to be a violation of this provision but nothing in this agreement will relieve Nikkel of any fiduciary duties he may owe to the Corporation); nor

(b) Be employed by, render services of any kind to, advise or receive compensation in any form from, nor invest or participate in any manner or capacity in, any entity or person that directly or indirectly engages in such business or activity.

This Subsection will not preclude investments in a corporation whose stock is traded on a public market and of which Nikkel owns less than a significant interest.

4.3 Nonsolicitation. During the term of this agreement, Nikkel shall not, directly or indirectly:

(a) Attempt to cause any employee of the Corporation or any subsidiary, affiliate or joint venture partner to leave his or her employment; nor

(b) Knowingly advise or provide information to any person in connection with an attempt by such person to cause any employee of the Corporation or any subsidiary, affiliate or joint venture partner to leave his or her employment.

4.4 Modification by Court. If any of the covenants contained in subsections 4.1, 4.2 and 4.3 above is determined to be unenforceable because of the duration of the covenant or the area covered by it, then the court or arbitrator making the determination shall have the power to reduce the duration of the covenant or the area covered by it, and the covenants, in their reduced form, will be enforceable.

4.5 Different Jurisdictions. If any of the covenants set forth in Subsections 4.1, 4.2 and 4.3 above is determined to be wholly unenforceable by the courts or arbitrators of any domestic or foreign jurisdiction, then the determination shall not bar or in any way affect the Corporation's right to

relief in the courts or in arbitration proceedings of any other jurisdiction with respect to any breach of such covenants in such other jurisdiction. Such covenants, as they relate to each jurisdiction, shall be severable into independent covenants and shall be governed by the laws of the jurisdiction where a breach occurs.

4.6 Purpose of Covenants. Nikkel and the Corporation agree that the covenants in Subsections 4.1, 4.2 and 4.3 above are reasonable and necessary to protect the confidentiality of the trade secrets and other proprietary information concerning the business of the Corporation and its subsidiaries,

affiliates and joint venture partners that was acquired by Nikkel as an employee of the Corporation and during the course of his consulting services under this Agreement.

4.7 Repayment of Gains. Nikkel and the Corporation agree that the principal purpose of entering into this agreement was to motivate Nikkel to contribute to the Corporation's success and to increase the Corporation's value. Nikkel and the Corporation also agree that any breach of the covenants set forth in Subsections 4.1, 4.2 and 4.3 above would be contrary to the purpose of this agreement. In the event that Nikkel takes any action contrary to any of the covenants set forth in Subsections 4.1, 4.2 and 4.3 above, Nikkel shall on demand pay the Corporation an amount equal to the total amount of all cash compensation paid to Nikkel under this agreement, whether that cash compensation was paid before or after the time when Nikkel takes the contrary action.

## 5. Miscellaneous Provisions.

5.1 Waiver. No provisions of this agreement can be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Nikkel and the Corporation. No waiver by either party of any breach of, or of compliance with, any condition or provision of this agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

5.2 Assignment and Successors; The Corporation. The Corporation shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Corporation's business and/or assets, by an agreement in substance and form satisfactory to Nikkel, to assume this agreement and to perform this agreement in the same manner and to the same extent as the Corporation would be required to perform it in the absence of a succession. For all purposes under this agreement, the term "Corporation" shall include any successor to the Corporation's business and/or assets that executes and delivers the assumption agreement described in this Subsection 5.2 or that becomes bound by this agreement by operation of law. The rights and benefits of Nikkel under this agreement may not be anticipated, assigned, alienated, or subject to attachment, garnishment, levy, execution, or other legal or equitable process except as required by law. Any attempt by Nikkel to anticipate, alienate, assign, sell, transfer, pledge, encumber, or charge the same shall be void.

5.3 Arbitration. Any dispute or controversy arising under or in connection with this agreement shall be settled exclusively by arbitration in Tulsa, Oklahoma, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Within 30 days following the conclusion of any arbitration proceeding (notwithstanding any appeal), the Corporation shall pay all reasonable attorneys' fees and related expenses incurred by Nikkel in connection with any such arbitration; provided, however, that the Corporation's reimbursement obligation under this sentence shall be limited to \$15,000 in the event that the Corporation is the prevailing party in the action and \$30,000 if Nikkel is the prevailing party in the action. For purposes of the preceding sentence, if there is disagreement concerning who is the prevailing party, then the parties shall request that the arbitrator hearing the dispute determine the point and the parties agree to be bound by the arbitrator's determination.

5.4 Taxes. All payments made under this agreement shall be subject to any required withholding of applicable taxes.

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5.5 Whole Agreement. No agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this agreement have been made or entered into by either party with respect to the subject matter hereof.

5.6 Choice of Law. The validity, interpretation, construction and performance of this agreement shall be governed by the laws of the State of Oklahoma.

5.7 Severability. The invalidity or unenforceability of any provision or provisions of this agreement shall not affect the validity or enforceability of any other provision, which shall remain in full force and effect.

5.8 Delivery of Notice. Notices and all other communications contemplated by this agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by certified mail, return receipt requested and postage prepaid. In the case of the Nikkel, mailed notices shall be addressed to him at the home address which he most recently communicated to

the Corporation in writing. In the case of the Corporation, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

IN WITNESS WHEREOF, each of the parties has signed this agreement, in the case of the Corporation by its duly authorized officer, as of the day and year first above written.

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John G. Nikkel

Unit Corporation

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By: Larry D. Pinkston  
Its: President

