

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): February 22, 2005

Unit Corporation

(Exact name of registrant as specified in its charter)

Oklahoma	1-9260	73-1283193
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

7130 South Lewis, Suite 1000, Tulsa, Oklahoma	74136
(Address of principal executive offices)	(Zip Code)

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

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

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))

Section 2 - Financial Information.

Item 2.02 Results of Operations and Financial Condition.

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On February 22, 2005, the Company issued a press release announcing its  
results of operations for the three and twelve month periods ending December 31,  
2004. A copy of that release is furnished with this filing as Exhibit 99.1.

The press release furnished as an exhibit to this report includes  
forward-looking statements within the meaning of the Securities Act of 1933 and  
the Securities Exchange Act of 1934. Such forward-looking statements are subject  
to certain risks and uncertainties, as disclosed by the Company from time to  
time in its filings with the Securities and Exchange Commission. As a result of  
these factors, the Company's actual results may differ materially from those  
indicated or implied by such forward-looking statements.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired.

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Not Applicable.

(b) Pro Forma Financial Information.

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Not Applicable.

(c) Exhibits.

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99.1 Unit Corporation press release dated February 22, 2005.

#### 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: February 22, 2005

By: /s/ David T. Merrill

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Name: David T. Merrill

Title: Chief Financial Officer &  
Treasurer

#### EXHIBIT INDEX

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Exhibit No.	Description
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99.1	Unit Corporation press release dated February 22, 2005
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7130 South Lewis Avenue, Tulsa, Oklahoma 74136  
Telephone 918 493-7700, Fax 918 493-7711

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

For Immediate Release...  
February 22, 2005

UNIT CORPORATION REPORTS 2004 FOURTH QUARTER  
AND YEAR-END RESULTS

Tulsa, Oklahoma . . . Unit Corporation (NYSE - UNT) announced today its financial and operational results for the fourth quarter and year-end 2004. Net income and earnings per share for 2004 increased 80% to \$90.3 million and 71% to \$1.97, respectively, compared to 2003. Total revenue for 2004 was \$519.2 million, a 72% improvement over 2003 and an all-time record. The improvement in revenue and net income was attributable to increases in the number of drilling rigs utilized and dayrates, as well as increases in the production of oil and natural gas and the price received for those commodities. Drilling rig utilization averaged 88.1 rigs operating during 2004 versus 62.9 rigs operating during 2003. Unit added 12 drilling rigs during the year, bringing its fleet to a record 100 drilling rigs. Unit's rig fleet currently stands at 102 operational rigs. Unit replaced 285% of its oil and natural gas production, achieving its goal of greater than 150% production replacement for the 21st consecutive year.

For the fourth quarter of 2004, consolidated net income was \$29.9 million, or 65 cents per diluted share, on revenues of \$160.2 million. In 2003, net income for the fourth quarter was \$11.8 million, or 27 cents per diluted share, on revenues of \$82.6 million.

UNIT DRILLING RESULTS

Contract drilling revenues increased 63% between the comparative fourth quarters to \$87.0 million, due to an increase in dayrates and the number of drilling rigs utilized. Drilling rig rates for the fourth quarter averaged \$9,529 per day, 17% higher than the comparable quarter of 2003. Contract

drilling operating margins per drilling rig averaged \$3,298 per day in the fourth quarter of 2004. The operating margins for the fourth quarter were favorably impacted by \$150 per day for adjustments primarily associated with a reduction in accrued health insurance costs. The average drilling rig utilization was 95.0 rigs in the fourth quarter of 2004, up 36% from 2003's fourth quarter. During 2004, Unit increased its drilling rig fleet by 12 rigs, bringing the total fleet to 100 drilling rigs. Currently, Unit has 102 operational rigs, all of which are contracted and 100 are operating.

Between the comparative years, contract drilling revenues increased 63% in 2004 to \$298.2 million, while drilling rig utilization increased to an average of 88.1 rigs operating during 2004, compared to 62.9 rigs operating during 2003. Contract drilling operating margins increased to 29%, compared to 24% during 2003.

UNIT PETROLEUM RESULTS

Fourth quarter production for Unit's oil and natural gas operations was 281,000 barrels of oil and 7,294 million cubic feet (MMcf) of natural gas, a 39% equivalent Mcf increase from the fourth quarter of 2003. Revenues for the fourth quarter were \$54.3 million or 87% higher than 2003's fourth quarter. The increase in revenue was due to higher oil and natural gas prices and production.

Unit's 2004 oil and natural gas production was 1,048,000 barrels of oil and 27,149 MMcf of natural gas, a 41% equivalent Mcf increase over 2003's production. Excluding production associated with the PetroCorp acquisition, equivalent Mcf production for 2004 increased 17%. 2004 oil and natural gas revenues were \$185.0 million, a 59% improvement over 2003.

Average natural gas prices received during the fourth quarter of 2004 increased 35% to \$5.95 per thousand cubic feet (Mcf) compared to \$4.40 per Mcf during the fourth quarter of 2003. The average oil price received was \$36.03 per barrel in the fourth quarter of 2004 compared to \$26.76 per barrel in the fourth quarter of 2003, a 35% increase. For the year, the average natural gas price received increased 11% to \$5.42 per Mcf compared to \$4.87 per Mcf during 2003. The average oil price received was \$33.20 per barrel during 2004 compared to \$26.94 per barrel in 2003, a 23% increase.

During 2004, Unit completed 168 wells, a 13% increase over the number of wells drilled during 2003. Of the 168 wells, 140 wells, or 83%, were completed as producing wells. Unit's total oil and natural gas reserves at December 31, 2004, were 346.8 billion cubic feet equivalent (Bcfe), a 22% increase over 2003. Unit replaced 285% of 2004 production, achieving for the 21st consecutive year the company's goal of replacing at least 150% of production with new oil and natural gas reserves. Unit's three-year average finding cost was \$1.99 per Mcfe.

#### SUPERIOR PIPELINE RESULTS

On July 29, 2004, Unit purchased the 60% of Superior Pipeline Company LLC that it did not already own for \$19.8 million. The operations of Superior Pipeline and Unit's previously existing gas gathering activities are reflected in the gas gathering and processing segment. Prior to this acquisition, Unit's 40% interest in the operations of Superior Pipeline was shown as equity in earnings of unconsolidated investments.

Superior Pipeline is a mid-stream company engaged primarily in the gathering, processing and treating of natural gas. The company owns one natural gas treatment plant, two processing plants, 12 active gathering systems and 400 miles of pipeline.

For the fourth quarter of 2004, Superior Pipeline gathered 47,778 MMBtu's of natural gas per day and processed 31,980 MMBtu's per day.

#### MANAGEMENT COMMENTS

"2004 was a year of growth for Unit as we responded to favorable industry conditions during the year," said John Nikkel, Chairman and Chief Executive Officer. "The year was marked by three significant transactions with the acquisitions of PetroCorp Incorporated, Sauer Drilling Company, and the outstanding interest of Superior Pipeline Company LLC."

"Unit increased its drilling rig fleet by 12 rigs during 2004, primarily by the acquisition of 9 rigs with the purchase of Sauer Drilling Company in August. During January 2005, Unit placed into service its 101st rig, which had previously been under construction. Also in January 2005, Unit closed its acquisition of a subsidiary of Strata Drilling LLC, by which Unit acquired two drilling rigs, its 102nd and 103rd rigs, as well as spare parts, inventory, drill pipe and other major components. The 103rd rig requires refurbishment, but should be fully operational within 90 days. Unit also has an additional rig under construction which is committed to a customer and is expected to be operational by the third quarter."

"Within our exploration and production operations, we completed our acquisition of PetroCorp Inc., on January 30, 2004 and benefited from those operations the remainder of the year. With the inclusion of PetroCorp's oil and natural gas reserves, Unit's total oil and natural gas reserve base at December 31, 2004 consisted of 8.6 million barrels of oil and 295.4 Bcf of natural gas, a 22% equivalent increase in total reserves over 2003. We plan to drill aggressively during 2005, with a goal of drilling 220 to 230 wells. Our acquisition, exploration and development drilling capital expenditure budget for 2005 is \$125 million, an increase of 25% over 2004, excluding acquisitions."

"Long-term debt has increased to \$95.5 million due to strong acquisition activity during the year, leaving us with a conservative 14% debt to capitalization ratio."

#### WEBCAST

Unit will webcast its fourth quarter and year-end earnings conference call live over the Internet on February 22, 2005 at 11:00 a.m. Eastern Time. To listen to the live call, please go to [www.unitcorp.com](http://www.unitcorp.com) at least fifteen minutes prior to the start of the call to download and install any necessary audio software. For those who are not available to listen to the live webcast, a replay will be available shortly after the call and will remain on the site for twelve months.

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

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2004	2003	2004	2003
-----				
Statement of Income:				
Revenues:				
Contract drilling	\$ 86,993	\$ 53,307	\$ 298,204	\$ 183,146
Oil and natural gas	54,299	29,088	185,017	116,609
Gas gathering and processing	18,155	40	29,717	606
Other	768	184	6,265	1,016
	-----	-----	-----	-----
Total revenues	160,215	82,619	519,203	301,377
	-----	-----	-----	-----
Expenses:				
Contract drilling:				
Operating costs	58,176	41,657	210,912	138,762
Depreciation and amortization	9,538	6,533	33,659	23,644
Oil and natural gas:				
Operating costs	11,432	6,298	41,303	24,953
Depreciation, depletion and amortization	13,489	7,879	47,517	27,343
Gas gathering and processing:				
Operating costs	16,503	42	27,018	349
Depreciation and amortization	493	51	982	176
General and administrative	3,032	2,456	11,987	9,222
Interest expense	944	153	2,695	693
	-----	-----	-----	-----
Total expenses	113,607	65,069	376,073	225,142
	-----	-----	-----	-----
Income Before Income Taxes	46,608	17,550	143,130	76,235
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Income Tax Expense:				
Current	1,269	(456)	4,866	---
Deferred	15,405	6,468	48,592	28,324
	-----	-----	-----	-----
Total income taxes	16,674	6,012	53,458	28,324
	-----	-----	-----	-----
Equity in Earnings of Unconsolidated Investments Net of Income Tax	---	213	603	953
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Income Before Change in Accounting Principle	29,934	11,751	90,275	48,864
Cumulative Effect of Change in Accounting Principle	---	---	---	1,325
	-----	-----	-----	-----
Net Income	\$ 29,934	\$ 11,751	\$ 90,275	\$ 50,189
	=====	=====	=====	=====
Income Before Change in Accounting Principle Per Common Share:				
Basic	\$ .65	\$ .27	\$ 1.98	\$ 1.12
Diluted	\$ .65	\$ .27	\$ 1.97	\$ 1.12

Net Income Per Common Share:					
Basic	\$	.65	\$	.27	\$ 1.98 \$ 1.15
Diluted	\$	.65	\$	.27	\$ 1.97 \$ 1.15
Weighted Average Common Shares					
Outstanding:					
Basic		45,740		43,950	45,717 43,616
Diluted		46,011		44,116	45,936 43,773

		December 31, 2004	December 31, 2003
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Balance Sheet Data:			
Current assets	\$	118,601	\$ 72,742
Total assets	\$	1,023,136	\$ 712,925
Current liabilities	\$	77,176	\$ 51,811
Long-term debt	\$	95,500	\$ 400
Other long-term liabilities	\$	37,725	\$ 17,893
Deferred income taxes	\$	204,466	\$ 127,053
Shareholders' equity	\$	608,269	\$ 515,768

		Year Ended December 31, 2004	2003
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Statement of Cash Flows Data:			
Cash Flow From Operations before Changes in Working Capital (1)	\$	219,683	\$ 129,830
Net Change in Working Capital		(16,473)	(8,118)
		-----	-----
Net Cash Provided by Operating Activities	\$	203,210	\$ 121,712
		=====	=====
Net Cash Used in Investing Activities	\$	(301,972)	\$ (132,099)
Net Cash Provided by Financing Activities	\$	98,829	\$ 10,488

		Three Months Ended December 31, 2004	2003	Year Ended December 31, 2004	2003
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Contract Drilling Operations Data:					
Rigs Utilized		95.0	69.8	88.1	62.9
Operating Margins (2)		33%	22%	29%	24%
Operating Profit Before Depreciation (2) (\$MM)	\$	28.8	\$ 11.7	\$ 87.3	\$ 44.4

Oil and Natural Gas Operations Data:					
Production					
Oil - MBbls		281	144	1,048	516
Natural Gas - MMcf		7,294	5,606	27,149	20,648
Average Prices					
Oil -- Bbl	\$	36.03	\$ 26.76	\$ 33.20	\$ 26.94
Natural Gas - Mcf	\$	5.95	\$ 4.40	\$ 5.42	\$ 4.87
Operating Profit Before DD&A (2) (\$MM)	\$	42.9	\$ 22.8	\$ 143.7	\$ 91.7

Gas Gathering and Processing Operations Data:					
Gas gathered - MMBtu/day		47,778	22,137	33,147	16,413
Gas processed - MMBtu/day		31,980	91	13,412	92

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

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

