

**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): October 10, 2006

Unit Corporation
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>1-9260</u> (Commission File Number)	<u>73-1283193</u> (I.R.S. Employer Identification No.)
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<u>7130 South Lewis, Suite 1000, Tulsa, Oklahoma</u> (Address of principal executive offices)	<u>74136</u> (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))

Section 1 - Registrant's Business and Operations.

Item 1.01 Entry into a Material Definitive Agreement.

Third Amendment to Credit Agreement

Effective October 10, 2006, the Company (including certain of its subsidiaries) and its Lenders entered into a Third Amendment to its existing Credit Agreement. In general, this amendment modifies the existing Credit Agreement by (i) amending each of the Lenders' Aggregate Commitment and the Maximum Credit Amount from \$235,000,000 to the maximum principal amount \$275,000,000 and (ii) increasing the Borrowing Base from \$300,000,000 to \$375,000,000 until the next scheduled Determination Date. A loan facility fee of \$60,000 was incurred with the execution of this amendment.

The foregoing description of the Third Amendment to Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the attached copy of the Third Amendment to Credit Agreement, which is incorporated by reference into this item 1.01. Capitalized terms used and not otherwise defined herein have the meanings given them in the Credit Agreement and the Third Amendment to Credit Agreement.

Section 9 - Financial Statements and Exhibits.

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 Third Amendment to Credit Agreement dated October 10, 2006

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: October 10, 2006

By: /s/ Mark E. Schell
Mark E. Schell
Senior Vice President
and General Counsel

EXHIBIT INDEX

Exhibit No. Description.

10.1 Third Amendment to Credit Agreement dated October 10, 2006

THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT, dated effective as of October 10, 2006 ("Third Amendment"), is made and entered into between and among UNIT CORPORATION, SUPERIOR PIPELINE COMPANY, L.L.C., UNIT DRILLING COMPANY, UNIT PETROLEUM COMPANY, PETROLEUM SUPPLY COMPANY, UNIT ENERGY CANADA, INC. and UNIT TEXAS DRILLING, L.L.C. (collectively, the "Borrowers"), BANK OF OKLAHOMA, NATIONAL ASSOCIATION ("Bok"), BANK OF AMERICA ("B of A"), BMO CAPITAL MARKETS FINANCIAL, C., formerly Harris Nesbitt Financing, Inc. ("BMO"), and COMPASS BANK ("Compass") (individually a "Lender" and collectively, the "Lenders") and BANK OF OKLAHOMA, NATIONAL ASSOCIATION, as agent for the Lenders now or hereafter signatory parties thereto (the "Agent").

RECITALS:

A. The Borrowers (other than Unit Texas Drilling, L.L.C. ("Unit Texas")), the Lenders and the Agent entered into that certain Credit Agreement dated as of January 30, 2004, as amended by the First Amendment thereto dated effective as of June 1, 2005, and as further amended by the Second Amendment thereto dated as of November 4, 2005, between and among the Borrowers (other than Unit Texas), the Lenders and the Agent (collectively, the "Existing Credit Agreement"), pursuant to which the Lenders severally established certain Commitments set forth on the Lenders Schedule annexed thereto as Schedule 2 until the Facility Termination Date, subject to the Maximum Credit Amount and the Borrowing Base.

B. The Borrowers (including Unit Texas) have requested the Lenders' to severally increase their respective Commitments such that each of the Aggregate Commitment and the Maximum Credit Amount will be increased to the maximum principal amount of \$275,000,000.

C. The Lenders are willing to so modify and amend the Existing Credit Agreement by increasing each of the Aggregate Commitment and the Maximum Credit Amount to the maximum principal amount of \$275,000,000 until the Facility Termination Date, subject to the terms, provisions, conditions and limitations set forth in the Existing Credit Agreement and as hereinafter set forth.

THEREFORE, subject to the terms, provisions, conditions and limitations set forth in the Existing Credit Agreement and as hereinafter set forth, the Lenders are willing to increase each of the Aggregate Commitment and the Maximum Credit Amount to \$275,000,000 until the Facility Termination Date, all subject to the terms, provisions, conditions and limitations hereof and of the Existing Credit Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, receipt of which is acknowledged by the parties hereto, the parties agree as follows:

1. Schedule 2 annexed to the Existing Credit Agreement is deleted and replaced in its entirety by revised Schedule 2 annexed hereto and made a part hereof. The definition of "Borrowers" in the Existing Credit Agreement is amended to include Unit Texas.

2. References in Section 2.5.2 of the Existing Credit Agreement and elsewhere therein to an Aggregate Commitment and a Maximum Credit Amount of "\$235,000,000" are deleted and inserted in lieu thereof are references to the Aggregate Commitment and the Maximum Credit Amount of "\$275,000,000."

3. The reference in Section 2.6.1 of the Existing Credit Agreement to a Borrowing Base of "\$300,000,000" is deleted and replaced with a reference to the Borrowing Base of "\$375,000,000" until the next scheduled Determination Date thereof.

4. The Borrowers, the Lenders and the Agent agree, stipulate and confirm that (i) the Borrowing Base amount is \$375,000,000 until the next scheduled Determination Date and (ii) each of the Aggregate Commitment and the Maximum Credit Amount is set at \$275,000,000, respectively, as of the effective date of this Third Amendment.

5. The remaining terms, provisions and conditions set forth in the Existing Credit Agreement (including without limitation, the consents, waivers and other provisions of Article XVII thereof) shall remain in full force and effect and are incorporated and adopted herein by reference. The Borrowers restate, confirm and ratify the warranties, covenants and representations set forth therein and further represent to the Lenders and the Agent that, as of the date hereof, no uncured Default or Event of Default exists under the Existing Credit Agreement, as amended by this Third Amendment (collectively, the "Credit Agreement"). The Borrowers further confirm, grant and re-grant, pledge and re-pledge to the Agent for the ratable benefit of the Lenders a continuing and continuous, first and prior mortgage lien against, security interest in and collateral pledge in the Collateral more particularly described in Article IX of the Existing Credit Agreement. Unit Texas Drilling, L.L.C., an Oklahoma limited liability company ("Unit Texas"), is the only Material Subsidiary of Borrowers as of the effective date of this Third Amendment.

6. The Borrowers shall execute and deliver, or cause to be executed and delivered to the Agent for the benefit of the Lenders, each of the following as express conditions precedent to the effectiveness of the amendments and modifications contemplated by this Third Amendment:

- a. this Third Amendment;
- b. the replacement Notes in favor of and payable to the order of the respective Lenders in the respective original face principal amounts as set forth in Schedule 2 annexed hereto;
- c. payment of the fully earned and non-refundable loan facility fee of 15 basis points (0.15%) on the \$40,000,000 increase in the Aggregate Commitment and Maximum Credit Amount (\$60,000) above \$235,000,000 to be allocated pro rata among the Lenders in accordance with each Lender's percentage of the \$40,000,000 increase in the Aggregate Commitment and the Maximum Credit Amount above \$235,000,000, respectively; and
- d. corporate incumbency and no default certificates from each of the Borrowers, with resolutions attached, in form, scope and content acceptable to the Agent.

7. The Borrowers agree to pay to the Agent on demand all costs, fees and expenses (including without limitation) reasonable attorneys fees and legal expenses incurred or accrued by the Agent in connection with the preparation, negotiation, execution, closing, delivery, and administration of this Third Amendment.

8. Any capitalized term used herein but not otherwise defined shall have the meaning given to such term in the Existing Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered in Tulsa, Oklahoma, effective as of the day and year first above written.

UNIT CORPORATION, a Delaware corporation,
SUPERIOR PIPELINE COMPANY, L.L.C.,
an Oklahoma limited liability company,
UNIT PETROLEUM COMPANY, an Oklahoma
corporation,
UNIT DRILLING COMPANY, an Oklahoma
corporation,
PETROLEUM SUPPLY COMPANY, an
Oklahoma corporation,
UNIT ENERGY CANADA INC., an Alberta,
Canada corporation, and
UNIT TEXAS DRILLING, L.L.C., an Oklahoma
limited liability company

By /s/ Larry D. Pinkston

Larry D. Pinkston, President of each of
UNIT CORPORATION,
UNIT PETROLEUM COMPANY,
UNIT DRILLING COMPANY,
PETROLEUM SUPPLY COMPANY,
UNIT ENERGY CANADA INC.,
as Manager of UNIT TEXAS DRILLING,
L.L.C., and SUPERIOR PIPELINE
COMPANY, L.L.C.

7130 South Lewis Avenue, Suite 1000
Tulsa, Oklahoma 74136
Attention: Larry Pinkston
Telephone: (918) 493-7700
Facsimile: (918) 493-7711

**BANK OF OKLAHOMA,
NATIONAL
ASSOCIATION**, in its individual
corporate
capacity as a Lender, as LC
Issuer and as
Administrative Agent for the
Lenders

By /s/ Pam Schloeder
Pam Schloeder
Senior Vice President

101 East Second Street
Bank of Oklahoma
Tower
One Williams Center
Tulsa, Oklahoma 74192
Telephone: (918) 588-
6012
Facsimile: (918) 588-
6880

BANK OF AMERICA, N.A., a Lender

By /s/ Gregory B. Hanson
Gregory B. Hanson
Vice President

100 Federal Street
Boston, MA 02110
Telephone: (617) 434-6613
Facsimile: (617) 434-3652

**BMO CAPITAL MARKETS FINANCING,
INC.,** formerly Harris Nesbitt Financing, Inc.,
a Lender

By /s/ Mary Lou Allen
Mary Lou Allen,
Vice President

Bank of Montreal
Houston Agency
700 Louisiana Street
4400 Bank of America Center
Houston, Texas 77002
Telephone: (713) 546-9761
Facsimile: (713) 223-4007

COMPASS BANK, a Lender

By /s/ Kathleen J. Bowen

Kathleen J. Bowen
Senior Vice President
24 Greenway Plaza
14th Floor
Houston, Texas 77046
Telephone: (713) 968-8273
Facsimile: (713) 968-8292

SCHEDULE 2

LENDERS SCHEDULE

Lender	Maximum Credit Amount	% of Maximum Credit Amount
Bank of Oklahoma, N. A.	\$81,911,500.00	29.786%
Bank of America, N. A.	\$76,065,000.00	27.660%
BMO	\$76,065,000.00	27.660%
Compass Bank	\$40,958,500.00	14.894%
T O T A L MAXIMUM CREDIT AMOUNT	\$275,000,000.00	100.00%

EXHIBIT A

**Form of
PROMISSORY NOTE**

\$ _____

October 10, 2006
Tulsa, Oklahoma

FOR VALUE RECEIVED, the undersigned, UNIT CORPORATION, a Delaware corporation, SUPERIOR PIPELINE COMPANY, L.L.C., an Oklahoma limited liability company, UNIT DRILLING COMPANY, an Oklahoma corporation, UNIT PETROLEUM COMPANY, an Oklahoma corporation, PETROLEUM SUPPLY COMPANY, an Oklahoma corporation, UNIT ENERGY CANADA INC., an Alberta, Canada corporation, and UNIT TEXAS DRILLING, L.L.C., an Oklahoma limited liability company (individually and collectively the "Borrowers"), jointly and severally promise to pay to the order of [insert name of Lender], with interest, the principal sum of _____ **MILLION and NO/100ths DOLLARS (\$____,000,000.00)**, if less, the aggregate principal amount of all advances outstanding from time to time hereunder, made by _____ to Borrowers pursuant to the Credit Agreement (hereinafter defined) and unless otherwise provided in the Credit Agreement, the principal balance of this Note outstanding on the Facility Termination Date, with interest payments due on each applicable Payment Date. This Note is issued pursuant to and subject to the terms of a certain Credit Agreement dated as of January 30, 2004, as amended by the First Amendment thereto dated as of June 1, 2005, as further amended by the Second Amendment thereto dated as of November 4, 2005, and as further amended by the Third Amendment thereto dated as of October 10, 2006, among Borrowers, and Bank of Oklahoma, National Association ("BOK"); Bank of America, N.A.; BMO Capital Markets Financing, Inc., formerly Harris Nesbitt Financing, Inc.; and Compass Bank (collectively the "Lenders"), with BOK as the Administrative Agent (in such capacity, the "Administrative Agent") (such Credit Agreement, as amended by the First Amendment and by the Second Amendment, respectively, and as hereafter amended, modified, supplemented or restated from time to time collectively referred to as the "Credit Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

Except as hereinafter provided in connection with a Default, interest shall accrue on the outstanding principal balance hereof and on any past due interest to the Facility Termination Date at the rate or rates per annum determined pursuant to the Pricing Schedule annexed to the Credit Agreement, as provided in and calculated pursuant to the Credit Agreement.

The rate of interest payable upon the indebtedness evidenced by this Note shall not at any time exceed the maximum rate of interest permitted under the laws of the State of Oklahoma or federal laws to the extent they apply to loans of the type and character evidenced by this Note.

All payments under this Note shall be made in legal tender of the United States of America or in other immediately available funds at the offices of the Administrative Agent at Bank of Oklahoma Tower, One Williams Center, Seven East Second Street, Tulsa, Oklahoma 74172, and no credit shall be given for any payment received by check, draft or other instrument or item until such time as the Administrative Agent or the holder hereof shall have received

credit therefor from the Administrative Agent's or the holder's collecting agent or, in the event no collecting agent is used, from the bank or other financial institution upon which said check, draft or other instrument or item is drawn. If any payment is due upon a Saturday or Sunday or upon any other day on which state or national banks in the State of Oklahoma are closed for business by virtue of a legal holiday for such banks, such payment shall be due and payable on the next succeeding Business Day, and interest shall accrue to such day.

The Borrowers may borrow and reborrow hereunder at any time and from time to time as provided in the Credit Agreement and may prepay this Note in whole or in part, subject to the prepayment limitations contained in the Credit Agreement; provided, however, that any partial prepayment shall be applied first to accrued interest, then to the unpaid principal balance hereof.

From time to time the Borrowers and the Lenders may agree to extend the maturity date of this Note or to renew this Note, in whole or in part, or a new note of different form may be substituted for this Note and/or the rate of interest may be changed, or changes may be made in consideration of loan extensions, and the holder, from time to time, may waive or surrender, either in whole or in part, any rights, guarantees, security interests, or liens given for the benefit of the holder in connection with the payment and the securing the payment of this Note; but no such occurrences shall in any manner affect, limit, modify or otherwise impair any rights, guarantees or security of the holder not specifically waived, released or surrendered in writing, nor shall the Borrowers or any guarantor, endorser or any other person who is or might be liable hereon, either primarily or contingently, be released from such liability by reason of the occurrence of any such event. The holder hereof, from time to time, shall have the unlimited right to release any person who might be liable hereon; and such release shall not affect or discharge the liability of any other person who is or might be liable hereon.

This Note is subject to and governed by the terms, provisions, conditions and limitations of the Credit Agreement concerning, among other matters, acceleration following a Default, imposition of default rates of interest during the continuance of a Default, methods of payment, minimum amounts of each Advance, selection of the type of Advance and applicable Interest Period for new Advances, Borrowing Base calculations, Maximum Credit Amount, Aggregate Commitment amounts, security interests in Rigs and deposit accounts of the Borrowers with the Administrative Agent and any of the Lenders, rights of set off or offset in connection therewith and all other matters terms, provisions and agreements therein prescribed or governed.

The Borrowers and all endorsers, guarantors and sureties hereby severally waive protest, presentment, demand, and notice of protest and nonpayment in case this Note or any payment due hereunder is not paid when due; and they agree to any renewal of this Note or to any extension, acceleration or postponement of the time of payment, or any other indulgence, to any substituting, exchange or release of collateral and to the release of any party or person primarily or contingently liable hereon without prejudice to the holder and without notice to the Borrowers or any endorser, guarantor or surety. In the event of any controversy, claim or dispute among the parties affecting or relating to the subject matter or performance of this Note, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable costs, expenses, including reasonable attorneys' and accountants' fees. In the event the Administrative Agent or BANK is the prevailing party, the Borrowers and any guarantor, endorser, surety or any other person who is or may become liable hereon, will, on demand, pay all such costs and expenses.

This Note is secured by the Collateral described in the Credit Agreement, which provides, among other things, for prepayment of this Note upon the occurrence of certain events and for limitations on Advances that may be made hereunder. This Note is a -replacement and modification of that certain promissory note dated as of November 1, 2005, payable by the Borrowers (other than Unit Texas Drilling, L.L.C.) to the order of [insert name of Lender] in the original principal amount of \$_____.

This Note is issued by the Borrowers in accordance with the provisions of Section 2.14(iv) of the Credit Agreement and shall be governed by and construed in accordance with the laws of the State of Oklahoma. Borrowers agree that all suits or proceedings arising from or related to this Note or the Credit Agreement may be litigated in courts, state or federal, sitting in Tulsa County, State of Oklahoma. In furtherance of this provision, Borrowers hereby waive any objection to such venue.

Notwithstanding the single execution of this Note by the undersigned President of each of the corporate Borrowers and the manager of the limited liability companies Borrower, as applicable, each of the Borrowers is jointly and severally bound by the terms of this Note.

UNIT CORPORATION, a Delaware corporation,
SUPERIOR PIPELINE COMPANY, L.L.C.,
an Oklahoma limited liability company,
UNIT PETROLEUM COMPANY, an Oklahoma
corporation,
UNIT DRILLING COMPANY, an Oklahoma
corporation,
PETROLEUM SUPPLY COMPANY, an
Oklahoma corporation,
UNIT ENERGY CANADA INC., an Alberta,
Canada corporation, and
UNIT TEXAS DRILLING, L.L.C., an Oklahoma
limited liability company

By _____
Larry D. Pinkston, President of each of
UNIT CORPORATION,
UNIT PETROLEUM COMPANY,
UNIT DRILLING COMPANY,
PETROLEUM SUPPLY COMPANY,
UNIT ENERGY CANADA INC.,
as Manager of UNIT TEXAS DRILLING,
L.L.C., and SUPERIOR PIPELINE
COMPANY, L.L.C.