

**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): May 29, 2009**

**Unit Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-9260**  
(Commission File Number)

**73-1283193**  
(I.R.S. Employer  
Identification No.)

**7130 South Lewis, Suite 1000, Tulsa, Oklahoma**  
(Address of principal executive offices)

**74136**  
(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 1 – Registrant’s Business and Operations

### Item 1.01 Entry into a Material Definitive Agreement.

- (a) On May 29, 2009, Unit Corporation (the “Company”), through its compensation committee and board of directors, approved amendments to the existing Unit Corporation 2000 Non-employee Directors’ Stock Option Plan as Amended and Restated August 25, 2004 (as amended on May 29, 2009, the “Amended Plan”). The amendments extended the plan term from May 30, 2010 to May 30, 2017, and increased the aggregate number of shares that may be issued or delivered due to exercise of non-employee director option awards from 210,000 shares of common stock to 510,000 shares of common stock. The Amended Plan also includes claw back provisions, which provide that in the event of specified director misconduct, the shares or proceeds from the sale of the shares originating as options under the Amended Plan can be recovered by the Company. Effective with the adoption of the amendments, a one-time grant of 3,063 shares to each non-employee Director was made on May 29, 2009 (the “Contingent Option Awards”). The Contingent Option Awards cannot vest before the stockholders approve the Amended Plan, and will be void in the event such approval is not obtained. Other than providing for the Contingent Option Awards, the plan will operate in much the same manner as it did before the recent amendments, providing an annual award of options to purchase 3,500 shares of the Company’s Common Stock to each non-employee Director effective automatically on the day after the Company’s annual meeting. Options granted under the Amended Plan, other than the Contingent Option Awards, will not be exercisable before six months after the grant date, and will expire ten years from the grant date.

The foregoing description of the Amended Plan does not purport to be complete and is qualified in its entirety by reference to the attached copy of that plan, filed as Exhibit 10.1 to this Form 8-K and incorporated by reference into this Item 1.01 (a).

- (b) On March 26, 2008, the Company and Mr. John Nikkel, Chairman of the Board of Directors of the Company, entered in an agreement to continue an existing consulting contract that the Company and Mr. Nikkel initially entered into on December 17, 2004. The agreement provided that Mr. Nikkel would serve as a consultant to the Company, on an annual basis, for \$70,000 per year. Effective June 1, 2009, the consulting agreement has been extended for a one-year term commencing as of April 1, 2009. The foregoing description of the current consulting agreement does not purport to be complete and is qualified in its entirety by reference to the attached copy of that agreement, filed as Exhibit 10.2 to this Form 8-K and incorporated by reference into this Item 1.01 (b).

Information regarding Mr. Nikkel’s investments in the employee limited partnerships sponsored by the company each year is described in the Company’s most recent Proxy Statement filed in connection with the Company’s Annual Meeting of Stockholders held on May 6, 2009. That information is incorporated by reference into this Form 8-K.

## Section 9 – Financial Statements and Exhibits.

### Item 9.01 Financial Statements and Exhibits.

- (d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
10.1	Unit Corporation 2000 Non-employee Directors’ Stock Option Plan as Amended and Restated May 29, 2009.
10.2	Consulting Agreement dated June 1, 2009, between John G. 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: June 4, 2009

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

**EXHIBIT INDEX**

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**UNIT CORPORATION**  
**2000**  
**NON-EMPLOYEE DIRECTORS'**  
**STOCK OPTION PLAN**

**as**

**Amended and Restated**  
**May 29, 2009**

## **UNIT CORPORATION**

**2000**

### **NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN**

The purposes of the Unit Corporation 2000 Non-Employee Directors' Stock Option Plan (the "Plan") are to promote the long-term success of Unit Corporation (the "Company") by creating a long-term mutuality of interests between the non-employee Directors and stockholders of the Company, to provide an additional inducement for such Directors to remain with the Company and to provide a means through which the Company may attract able persons to serve as Directors of the Company.

#### **SECTION I Administration**

The Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") shall administer the Plan. All of the members of the Committee shall be non-employee directors. The Committee shall keep records of action taken at its meetings. A majority of the Committee shall constitute a quorum at any meeting, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by a majority of the Committee, shall be the acts of the Committee.

The Committee shall interpret the Plan and prescribe such rules, regulations and procedures in connection with the operations of the Plan, as it shall deem to be necessary and advisable for the administration of the Plan consistent with the purposes of the Plan. All questions of interpretation and application of the Plan, or as to stock options granted under the Plan, shall be subject to the determination of the Committee, which shall be final and binding.

Notwithstanding the above, the selection of the Directors to whom stock options are to be granted, the timing of such grants, the number of shares subject to any stock option, the exercise price of any stock option, the periods during which any stock option may be exercised and the term of any stock option shall be as hereinafter provided, and the Committee shall have no discretion as to such matters.

#### **SECTION 2 Shares Available under the Plan**

The aggregate number of shares which may be issued or delivered and as to which grants of stock options may be made under the Plan is 510,000 shares of Common Stock, \$.20 par value, of the Company (the "Common Stock"), subject to adjustment and substitution as set forth in Section 5. If any stock option granted under the Plan is cancelled by mutual consent or terminates or expires for any reason without having been exercised in full, the number of shares subject thereto shall again be available for purposes of the Plan. The shares which may be issued or delivered under the Plan may be

either authorized but unissued shares or reacquired shares or partly each, as shall be determined from time to time by the Board.

### **SECTION 3 Grant of Stock Options**

On the first business day following the day of each annual meeting of the stockholders of the Company, each person who is then a member of the Board and who is not then an employee of the Company or any of its subsidiaries (a "non-employee Director") shall automatically and without further action by the Board or the Committee be granted a stock option to purchase 3,500 shares of Common Stock, subject to adjustment and substitution as set forth in Section 5. If the number of shares then remaining available for the grant of stock options under the Plan is not sufficient for each non-employee Director to be granted an option for 3,500 shares of common stock (or the number of adjusted or substituted shares pursuant to Section 5), then each non-employee Director shall be granted an option for a number of whole shares equal to the number of shares then remaining available divided by the number of non-employee Directors, disregarding any fractions of a share. Solely for purposes of satisfying a deficiency of shares available for the grant of stock options available to non-employee Directors on the day after the 2009 annual meeting of the Company's stockholders, in addition to the 437 shares available for the grant of options made to each non-employee Director on May 7, 2009, each non-employee Director shall receive an additional grant of stock options for 3,063 shares on May 29, 2009, provided, however, that none of these options for 3,063 additional shares (the "2009 Option Award Balance") shall vest unless and until this Plan is approved by the Company's stockholders. In the event such stockholder approval is not obtained, then each 2009 Option Award Balance shall be forfeited.

### **SECTION 4 Terms and Conditions of Stock Options**

Stock options granted under the Plan shall be subject to the following terms and conditions:

(A) The purchase price at which each stock option may be exercised (the "option price") shall be one hundred percent (100%) of the fair market value per share of the Common Stock covered by the stock option on the date of grant, determined as provided in Section 4(G). Notwithstanding any other provision of this Plan, the purchase price of an outstanding option shall not be subject to modification or amendment subsequent to the date of grant of such option.

(B) The option price for each stock option shall be paid in full upon exercise and shall be payable in cash in United States dollars (including check, bank draft or money order). Provided, however, that in lieu of such cash the person exercising the stock option may pay the option price in whole or in part by delivering to the Company shares of the Common Stock having a fair market value on the date of exercise of the stock option, determined as provided in Section 4(G) equal to the option price for the shares being purchased; except that (i) any portion of the option price representing a

fraction of a share shall in any event be paid in cash and (ii) no shares of the Common Stock which have been held for less than six months may be delivered in payment of the option price of a stock option. The date of exercise of a stock option shall be determined under procedures established by the Committee, and, as of the date of exercise the person exercising the stock option shall be considered for all purposes to be the owner of the shares with respect to which the stock option has been exercised. Payment of the option price with shares shall not increase the number of shares of the Common Stock, which may be issued or delivered under the Plan as provided in Section 2.

(C) No stock option shall be exercisable during the first six months of its term except in case of death as provided in Section 4(E), provided, however, that no 2009 Option Award Balance shall be exercisable under any circumstance until after approval of this Plan by the Company's stockholders. Subject to the terms of Section 4(E) providing for earlier termination of a stock option, no stock option shall be exercisable after the expiration of ten years from the date of grant. A stock option to the extent exercisable at any time may be exercised in whole or in part.

(D) No stock option shall be transferable by the grantee otherwise than by will, or if the grantee dies intestate, by the laws of descent and distribution of the state of domicile of the grantee at the time of death. All stock options shall be exercisable during the lifetime of the grantee only by the grantee or the grantee's guardian or legal representative.

(E) If a grantee ceases to be a Director of the Company, any outstanding stock options held by the grantee shall be exercisable and shall terminate, according to the following provisions:

- (i) If a grantee ceases to be a Director of the Company for any reason other than retirement, disability, resignation, removal for cause or death, any then outstanding stock option held by such grantee shall be exercisable by the grantee (but only to the extent exercisable by the grantee immediately prior to ceasing to be a Director) at any time prior to the regular expiration date of such stock option or within one year after the date the grantee ceases to be a Director, whichever is the shorter period.
- (ii) If during his or her term of office as a Director a grantee is removed from office for cause, any outstanding stock option held by the grantee which is not exercisable by the grantee immediately prior to removal shall terminate as of the date of removal, and any outstanding stock option held by the grantee which is exercisable by the grantee immediately prior to removal shall be exercisable by the grantee at any time prior to the regular expiration date of such stock option or within 30 days after the date of removal, whichever is the shorter period.
- (iii) If a grantee ceases to be a Director of the Company by reason of death, retirement, resignation or disability, any then outstanding stock option

held by such grantee shall be exercisable by the grantee (but in the case of resignation, retirement or disability only to the extent exercisable by the grantee immediately prior to ceasing to be a Director and in the case of death whether or not exercisable by the grantee immediately prior to death) at any time prior to the regular expiration date of such stock option or within 24 months after the date the grantee ceases to be a Director, whichever is the shorter period. In the event of the death of the grantee, the stock options shall be exercisable by the person entitled to do so under the Will of the grantee, or, if the grantee fails to make testamentary disposition of the stock options or shall die intestate, by the legal representative of the grantee.

(F) All stock options shall be confirmed by an agreement, or an amendment thereto, which shall be executed on behalf of the Company by the Chief Executive Officer (if other than the President), the President or any Vice President and by the grantee.

(G) Fair market value of the Common Stock shall be the mean between the following prices, as applicable, for the date as of which fair market value is to be determined as quoted in The Wall Street Journal (or in such other reliable publication as the Committee, in its discretion, may determine to rely upon): (a) if the Common Stock is listed on the New York Stock Exchange, the closing price per share of the Common Stock as quoted in the NYSE-Composite Transactions listing for such date, (b) if the Common Stock is not listed on such exchange, the highest and lowest sales prices per share of Common Stock for such date on (or on any composite index including) the principal United States securities exchange registered under the Securities Exchange Act of 1934 (the "1934 Act") on which the Common Stock is listed, or (c) if the Common Stock is not listed on any such exchange, the highest and lowest sales prices per share of the Common Stock for such date on the National Association of Securities Dealer Automated Quotations System or any successor system then in use ("NASDAQ"). If there are no such sale price quotations for the date as of which fair market value is to be determined but there are such sale price quotations within a reasonable period both before and after such date, then fair market value shall be determined by taking a weighted average of the means between the highest and lowest sales prices per share of the Common Stock as so quoted on the nearest date before and the nearest date after the date as of which fair market value is to be determined. The average should be weighted inversely by the respective number of trading days between the selling dates and the date as of which fair market value is to be determined. If there are no such sale price quotations on or within a reasonable period both before and after the date as of which fair market value is to be determined, then fair market value of the Common Stock shall be the mean between the bona fide bid and asked prices per share of Common Stock as so quoted for such date on NASDAQ, or if none, the weighted average of the means between such bona fide bid and asked prices on the nearest trading date before and the nearest trading date after the date as of which fair market value is to be determined, if both such dates are within a reasonable period. The average is to be determined in the manner described above in this Section 4(G).

(H) The obligation of the Company to issue or deliver shares of the Common Stock under the Plan shall be subject to (i) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such shares, if deemed necessary or appropriate by counsel for the Company, (ii) the condition that the shares shall have been listed (or authorized for listing upon official notice of issuance upon each stock exchange, if any, on which the Common Stock shares may then be listed and (iii) all other applicable laws, regulations, rules and orders which may then be in effect.

(I) Forfeiture of Stock Options. If at any time during grantee's tenure as a Director, the Committee determines that grantee has engaged in any activity in competition with any activity of the company or its subsidiaries, or activity or conduct that is inimical, contrary or harmful to the interests of the company or its subsidiaries, including but not limited to:

- (i) conduct relating to a Director's duties to the company for which either criminal or civil penalties against the Director may be sought;
- (ii) conduct or activity that results in the termination of a Director's tenure because of his or her: (a) failure to abide by the Company's rules and regulations governing the transaction of its business, including without limitation, its Code of Business Ethics and Conduct; (b) inattention to duties, or the commission of acts while in the position of director which acts amount to gross negligence or misconduct; (c) misappropriation of funds or property of the Company or its subsidiaries or committing any fraud against the Company or any of its subsidiaries or against any other person or entity while serving as a Director of the Company, or (d) misappropriation of any corporate opportunity, or otherwise obtaining personal profit from any transaction which is adverse to the interests of the Company or any of its subsidiaries or to the benefits of which the Company or its subsidiaries are entitled; or (e) the commission of a felony or other crime involving moral turpitude;
- (iii) accepting employment with, acquiring a 5% or more equity or participation interest in, serving as a consultant, advisor, director or agent of, directly or indirectly soliciting or recruiting any employee of the Company or any of its subsidiaries who was employed at any time during the Director's tenure with the Company or any of its subsidiaries, or otherwise assisting in any other capacity or manner any company or enterprise that is directly or indirectly in competition with or acting against the interests of the Company or any of its subsidiaries (a "competitor"), except for (a) any isolated, sporadic accommodation or assistance provided to a competitor, at its request, by the Director during his or her tenure with the Company, but only if provided in the good faith and reasonable belief that such action would benefit the Company or any of its subsidiaries by promoting good business relations with the competitor and would not harm the Company's or any of its subsidiaries' interests in any substantial manner or (b) any other service or assistance that is provided at the request or with the written permission of the Company or any of its subsidiaries;
- (iv) disclosing or misusing any confidential information or material concerning the Company or any of its subsidiaries; or

