# BAKER HUGHES INC

## FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 1/26/2007 For Period Ending 1/24/2007

| | |
|---|---|
| Address | 2929 ALLEN PARKWAY SUITE 2100 |
| | HOUSTON, Texas 77019-2118 |
| Telephone | 713-439-8600 |
| CIK | 0000808362 |
| Industry | Oil Well Services & Equipment |
| Sector | Energy |
| Fiscal Year | 12/31 |

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# FORM 4

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person * | 2. Issuer Name **and** Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) |
|---|---|---|
| **BARR DAVID H**<br>(Last) (First) (Middle) | **BAKER HUGHES INC [ BHI ]** | _____ Director _____ 10% Owner<br>__ **X** __ Officer (give title below) _____ Other (specify below)<br>**Vice President** |
| **2929 ALLEN PARKWAY, SUITE 2100**<br>(Street) | 3. Date of Earliest Transaction (MM/DD/YYYY)<br>**1/24/2007** | |
| **HOUSTON, TX 77019**<br>(City) (State) (Zip) | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | 6. Individual or Joint/Group Filing (Check Applicable Line)<br>_ **X** _ Form filed by One Reporting Person<br>___ Form filed by More than One Reporting Person |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| **Common Stock, $1.00 Par Value** (1) (2) | **1/24/2007** | | **A** | | **5078** | **A** | **$68.54** | **51168.3396** | **D** | |
| **Common Stock, $1.00 Par Value** (3) | **1/25/2007** | | **F** | | **384** | **D** | **$69.02** | **50784.3396** | **D** | |
| **Common Stock, $1.00 Par Value** (3) | **1/26/2007** | | **F** | | **418** | **D** | **$67.05** | **50366.3396** | **D** | |

**Table II - Derivative Securities Beneficially Owned ( *e.g.* , puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| **Common Stock, $1.00 Par Value** (4) (5) | **$68.54** | **1/24/2007** | | **A** | | **8181** | | **1/24/2008** | **1/24/2017** | **Common Stock, $1.00 Par Value** | **8181** | **$68.54** | **8181** | **D** | |

**Explanation of Responses:**

**( 1)** Restricted Stock Award issued pursuant to the terms and conditions of the Company's 2002 Director and Officer Long-Term Incentive Plan.

**( 2)** Restricted Stock Award vests one-third each year, beginning January 24, 2008.

**( 3)** Withholding of shares to pay the taxes due upon vesting is exempt from Section 16(b) of the Securities Exchange Act of 1934 by Rule 16b-3.

**( 4)** Option granted pursuant to the terms of the Company's 2002 Director and Officer Long-Term Incentive Plan.

**( 5)** Option vests in three equal annual installments, beginning January 24, 2008.

**Reporting Owners**

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| **BARR DAVID H**<br>**2929 ALLEN PARKWAY**<br>**SUITE 2100**<br>**HOUSTON, TX 77019** | | | **Vice President** | |

**Signatures**

**Sandra E. Alford Attorney-in-Fact** **1/26/2007**

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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