VARCO INTERNATIONAL INC /DE/

Filed by

BAKER HUGHES INC

FORM SC 13D/A

(Amended Statement of Beneficial Ownership)

Filed 01/09/96

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Tuboscope Vetco International Corporation
(Name of Issuer)

Common Stock, $.01 par value per share
(Title of Class of Securities)

898594-10-6
(CUSIP Number)

Lawrence O'Donnell, III, Esq., Baker Hughes Incorporated
3900 Essex Lane, Suite 1200, Houston, Texas 77027,
Tel. No. (713) 439-8600
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

January 4, 1996
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

Check the following box if a fee is being paid with the statement [ ]. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7).

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Baker Hughes Incorporated, a Delaware corporation ("Baker Hughes")
76-0207995

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (A) [ ] (B) [x]

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3 SEC USE ONLY

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4 SOURCE OF FUNDS
00: Baker Hughes received on or about October 29, 1991, (a) 1,686,047 shares of the Common Stock, $.01 par value per share (the "Common Stock"), of Tuboscope Vetco International Corporation,a Delaware corporation ("Tuboscope"), and (b) 100,000 shares of Tuboscope's Series A Convertible Preferred Stock, $0.01 par value per share (the "Preferred Stock") as part of the consideration that Tuboscope gave to Baker Hughes for Baker Hughes' sale to Tuboscope of certain of Baker Hughes' assets.

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(E) [ ]

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6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	SHARED VOTING POWER 1,686,047 shares of the Common Stock and 100,000 shares of the Preferred Stock, which are convertible into 1,000,000 shares of the Common Stock. See Items 2,5 and 6.3 below.
	9.	SOLE DISPOSITIVE POWER 1,686,047 shares of the Common Stock and 100,000 shares of the Preferred Stock, which are convertible into 1,000,000 shares of the Common Stock
	10	SHARED DISPOSITIVE POWER

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,686,047 shares of the Common Stock and 100,000 shares of the Preferred Stock, which are convertible into 1,000,000 shares of the Common Stock.

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [ ]

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
Based upon information that Tuboscope provided to Baker Hughes: Approximately 9.1% of the Common Stock (excluding the Preferred Stock that Baker Hughes holds). Approximately 14.5% of the Common Stock (including the Preferred Stock that Baker Hughes holds).

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14 TYPE OF REPORTING PERSON
CO

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*SEE INSTRUCTIONS BEFORE FILLING OUT!

Amendment No. 3 to Schedule 13D of Baker Hughes Incorporated

The following Items of the Schedule 13D of Baker Hughes Incorporated, a Delaware corporation ("Baker Hughes"), for the event dated October 29, 1991, as amended by Amendment No. 1 thereto for the event dated July 15, 1993, and Amendment No. 2 thereto for the event dated August 17, 1993, in each case, relating to the Common Stock, $.01 par value per share (the "Common Stock"), of Tuboscope Vetco International Corporation, a Delaware corporation ("Tuboscope"), are hereby amended in their entirety:

Item 1: Security and Issuer.

This Schedule 13D relates to the Common Stock. On or about October 29, 1991, Baker Hughes received 1,686,047 shares of the Common Stock and 100,000 shares of Tuboscope's Series A Convertible Preferred Stock, $0.01 par value per share (the "Preferred Stock"), as part of the consideration for Baker Hughes' sale of certain of its assets to Tuboscope. Each share of the Preferred Stock is convertible into 10 shares of the Common Stock, subject to certain adjustments. As of the date hereof, Baker Hughes' 100,000 shares of the Preferred Stock are convertible into 1,000,000 shares of the Common Stock.

Item 2: Identity and Background

The reporting person, Baker Hughes, is a provider of products and services to the oil, gas and process industries and is incorporated under the laws of the State of Delaware. The address of Baker Hughes' principle executive office is 3900 Essex Lane, Houston, Texas 77027.

(d) During the past five years, Baker Hughes has not been convicted in any criminal proceeding (excluding traffic violations and similar misdemeanors).

(e) During the past five years Baker Hughes has not been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, United States federal or state securities laws or finding any violation with respect to such laws.

On January 4, 1996, Baker Hughes entered into a Voting Agreement dated as of January 3, 1996 (the "Voting Agreement"), with D.O.S. Ltd., a Bermuda corporation ("DOS"), and Brentwood Associates IV, L.P. ("Brentwood"), the terms of which are described in Item 6.3 below. As a result, Baker Hughes may be deemed to be part of a group with DOS and Brentwood; however, Baker Hughes hereby disclaims any such relationship. Information regarding each of DOS and Brentwood provided in this Amendment No. 3 to Schedule 13D of Baker Hughes Incorporated has been provided to the best information and belief of Baker Hughes. For information regarding each of Brentwood and DOS, refer to the Schedules 13D, if any (or any amendments thereto) filed by each of Brentwood and DOS, respectively.

Item 3: Source and Amount of Funds or Other Consideration

On or about October 29, 1991, Baker Hughes received 1,686,047 shares of the Common Stock and 100,000 shares of the Preferred Stock, as part of the consideration for Baker Hughes' sale of certain of its assets to Tuboscope.

Item 4: Purpose of Transaction

At present, Baker Hughes intends to negotiate an agreement with Tuboscope whereby Tuboscope would issue to Baker Hughes (i) 1.5 million additional shares of the Common Stock and (ii) warrants to purchase up to an additional 1.25 million shares of the Common Stock in exchange (the "Exchange") for all of the Preferred Stock held by Baker Hughes. These warrants would have an exercise price of $10.00 per share and expire on December 31, 2000. Any such agreement is subject to the negotiation of written documentation, executed by each of the parties, containing terms and conditions satisfactory to Baker Hughes, including (without limitation) the condition that the Merger (defined in Item 6.3 below) shall have been consummated.

As described in Item 6.3 below, pursuant to the Voting Agreement, Baker Hughes has agreed to vote the shares of Common Stock that it holds in favor of the Merger and related transactions.

Pursuant to the Purchase Agreement dated as of October 1, 1991 the ("Purchase Agreement"), between Baker Hughes and Tuboscope, Tuboscope has certain rights of first refusal on the shares of Common Stock held by Baker Hughes under certain conditions. In addition, Baker Hughes has agreed to other restrictions on its disposition of the Common Stock as set forth in Article 8 of the Purchase Agreement. Certain other agreements between Baker Hughes and Tuboscope are also set forth in the Purchase Agreement.

Except for the Exchange, Baker Hughes has no current intention of acquiring or disposing of shares; however, Baker Hughes' intentions may change in light of facts and circumstances that may arise in future dealings in the marketplace or other events affecting Tuboscope or Baker Hughes and the operation of the terms of their agreements.

Baker Hughes has the right to designate a director of the Company as set forth in the Purchase Agreement.

Item 5. Interest in Securities of the Issuer

(a)

Beneficial Owner	No. of Shares of Common Stock	No. of Shares of Preferred Stock	No of Shares of Common Stock into which Preferred Stock is Convertible	Total No. of Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned*
Baker Hughes	1,686,047	100,000	1,000,000	2,686,047	14.5

* Based upon information that Tuboscope provided to Baker Hughes.

(b) Baker Hughes has given its voting power with respect to all shares of the Common Stock held by it to DOS pursuant to the Voting Agreement for the purposes of voting those shares in favor of the Merger and related transactions. See Item 6.3, below. With respect to actions not affected by the Voting Agreement, Baker Hughes retains sole voting power. Baker Hughes has sole dispositive power with respect to the shares of Common Stock beneficially owned by it.

Except as provided by law and upon the occurrence of certain events set forth in the Certificate of Designation of the Preferred Stock, the Preferred Stock does not have voting rights. Shares of Common Stock received upon conversion of the Preferred Stock will be subject to the Voting Agreement until it terminates.

(c) See Item 3 above.

(d) No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds of sale of, the Common Stock or the Preferred Stock beneficially owned by the reporting person (or the Common Stock into which the Preferred Stock is convertible).

(e) Not applicable.

Item 6: Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

6.1 Baker Hughes has orally stated its intention to Tuboscope to negotiate the terms of the Exchange, subject to the negotiation of definitive written documentation, executed by each of the parties, on terms and conditions acceptable to Baker Hughes, including (without limitation) the consummation of the Merger.

6.2 Pursuant to the Purchase Agreement, Tuboscope has certain rights of first refusal on the shares of Common Stock held by Baker Hughes under certain conditions. In addition, Baker Hughes has agreed to other restrictions on its disposition of the Common Stock as set forth in Article 8 of the Purchase Agreement. Certain other agreements between Baker Hughes and Tuboscope are also set forth in the Purchase Agreement.

6.3 Pursuant to the Voting Agreement, Baker Hughes and Brentwood have agreed to vote their respective holdings of shares of the Common Stock in favor of (a) the merger (the "Merger") of DOS with a subsidiary of Tuboscope pursuant to an Agreement and Plan of Merger dated as of January 3, 1996 (the "Merger Agreement"), among Tuboscope, Grow Acquisition Limited and DOS as well as (b) certain related transactions contemplated thereby including (i) the issuance of 4.2 million shares of the Common Stock and warrants to purchase 2.533 million shares of the Common Stock to SCF-III, L.P. for $31 million in cash and (ii) certain amendments of Tuboscope's Certificate of Incorporation. Pursuant to the Voting Agreement, Baker Hughes has given its irrevocable proxy to designees of DOS to so vote the shares of Common Stock held by Baker Hughes. As of the effective date of the Voting Agreement, Baker Hughes had all 1,686,047 of its shares of the Common Stock subject to the Voting Agreement, and Brentwood had 1,305,064 shares of the Common Stock subject to the Voting Agreement. With respect to Baker Hughes, the Voting Agreement terminates on the earlier of (a) the termination of the Merger Agreement or (b) the consummation of the Merger.

Item 7: Material to be Filed as Exhibits

7.1 - Purchase Agreement dated October 1, 1991, between Baker Hughes and Tuboscope.*

7.2 - Certificate of Designation to Series A Convertible Preferred Stock of Tuboscope. *

7.3 - Voting Agreement dated as of January 3, 1996, among DOS, Brentwood and Baker Hughes.

* Filed previously as an Exhibit to the reporting person's Schedule 13D dated October 29, 1991, and incorporated herein by reference.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, correct and complete.

Date: January 8, 1996

By: /s/ Lawrence O'Donnell, III

Vice President, General Counsel and Corporate Secretary of Baker Hughes Incorporated

Exhibit 7.3

VOTING AGREEMENT

SHARES OF TUBOSCOPE VETCO INTERNATIONAL CORPORATION

This Voting Agreement dated as of January 3, 1996 (this "Agreement"), among D.O.S. Ltd., a Bermuda corporation (the "Company"), and each other entity listed on the signature page hereof (each, a "Stockholder").

WHEREAS, each Stockholder owns the number of shares of Common Stock, $.01 par value ("Common Stock") of Tuboscope Vetco International Corporation, a Delaware corporation ("Parent"), set forth opposite such stockholder's name on the signature page hereto (all such shares of Common Stock now owned and which may hereafter be acquired by such Stockholder prior to the termination of this Agreement being referred to herein as the "Shares"); and

WHEREAS, as a condition to the willingness of the Company to enter into that certain Agreement and Plan of Merger, dated of even date herewith (the "Merger Agreement"), by and among Parent, a Delaware corporation, Grow Acquisition Limited, a wholly-owned subsidiary of Parent ("Sub"), and the Company, providing for the merger of Sub into the Company (the "Merger"), the Company has required that each Stockholder agree, and in order to induce the Company to enter into the Merger Agreement, each Stockholder has agreed, to enter into this Agreement; and

WHEREAS, all capitalized terms used and not defined herein shall have the meanings given to such terms in the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES OF STOCKHOLDERS

Each Stockholder hereby severally represents and warrants to the Company as follows:

1.01 Authority Relative to this Agreement. Such Stockholder has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby have been duly and validly authorized by such Stockholder, and no other proceedings on the part of such Stockholder are necessary to authorize the execution and delivery of this Agreement or to consummate such transactions. This Agreement has been duly and validly executed and delivered by such Stockholder and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, subject, as to enforceability, to bankruptcy, insolvency,

reorganization and other laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

1.02 No Conflict. The execution and delivery of this Agreement by such Stockholder do not, and the performance of this Agreement by such Stockholder will not, (i) conflict with or violate any voting or trust agreement, charter or other organizational document of such Stockholder, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to such Stockholder, (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of its Shares pursuant to any note, indenture, agreement, lease, license, permit or other instrument or obligation to which such Stockholder is a party or by which such Stockholder or its Shares are bound or affected, or (iv) require any consent, approval, authorization or permit from any governmental regulatory body, except where such breach or default or failure to obtain such consents, approvals, authorizations or permits or to make such filings would not prevent or delay the performance by such Stockholder of its obligations under this Agreement.

1.03. Title to the Shares. Such Stockholder is the record holder of the Shares set forth opposite its name on the signature page hereto, free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, charges and other encumbrances of any nature that would prevent or delay the performance by such Stockholder of its obligations hereunder. Such Stockholder has not appointed or granted any proxy, which appointment or grant is still effective, with respect to its Shares. Such Stockholder has sole voting power with respect to its Shares, and the persons executing this Agreement on behalf of such Stockholder have the power to direct the voting of such Stockholder's Shares.

ARTICLE II

COVENANTS OF THE STOCKHOLDERS

2.01. Voting Agreement. Each Stockholder hereby agrees that prior to the termination of this Agreement, at any meeting of the stockholders of Parent, however called, and in any action by consent of the stockholders of Parent, such Stockholder shall (i) vote its Shares in favor of the Parent Share Issuance and the Charter Amendment and any of the other transactions contemplated by the Merger Agreement and (ii) not solicit, encourage or recommend to other stockholders of Parent that (w) they vote their shares of Common Stock in any contrary manner, (x) they not vote their shares at all, (y) they sell, transfer, tender or otherwise dispose of their shares of Common Stock or (z) they attempt to execute any statutory appraisal or other similar rights they may have.

2.02. No Solicitation. Each Stockholder hereby agrees that prior to the termination of this Agreement, such Stockholder shall not, and shall not permit any officer, director or employee, attorney, investment banker or other agent or representative of such Stockholder or of any general partner of such Stockholder to, initiate, solicit, negotiate, encourage or provide confidential information to any third party in order to facilitate any Parent Acquisition Proposal.

2.03. No Inconsistent Agreement. Each Stockholder hereby covenants and agrees that, except as contemplated by this Agreement, such Stockholder shall not enter into any voting agreement, grant a proxy or power of attorney with respect to its Shares or vote its Shares in a manner which is inconsistent with this Agreement.

2.04. Transfer of Title. Each Stockholder hereby covenants and agrees that such Stockholder shall not transfer ownership of or pledge any of its Shares unless the transferee or pledgee agrees in writing to be bound by the terms and conditions of this Agreement.

2.05. Grant of Proxy. In furtherance of the foregoing and concurrently with the execution and delivery of this Agreement, each Stockholder hereby grants to the Company or its designees an irrevocable proxy and power of attorney or pledgee (which may be in the form attached hereto as Annex A or such other form consistent with the terms hereof and thereof as specified by the Company) to vote the Shares, to the extent such Shares are entitled to vote and hereby specifically agrees not to revoke such proxy granted under any circumstances:

(i) at any and all meetings of stockholders of Parent, notice of which meetings are given prior to the due and proper termination of this Agreement, with respect to matters presented to Parent's stockholders for vote which relate to or affect the Merger or the Merger Agreement, the Parent Share Issuance or the Charter Amendment or the approval of such matters; or

(ii) with respect to action to be taken by written consent of the stockholders of Parent which relates to or affects any of the foregoing, and which consent is solicited prior to the due and proper termination of this Agreement.

ARTICLE III

MISCELLANEOUS

3.01. Termination. This Agreement shall terminate upon the earliest of
(i) termination of the Merger Agreement, (ii) the consummation of the Merger or
(iii) with respect to Brentwood Associates IV, L.P. only, the later of (A) May 15, 1996 or (B) the first date that Brentwood Associates IV, L.P. distributes all or substantially all of its shares of Common Stock that it owns to its partners. No termination of this Agreement shall relieve any party hereto of any liability for a breach of this Agreement which occurs prior to such termination.

3.02. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

3.03. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior written and oral and all contemporaneous oral agreements and

understandings with respect to the subject matter hereof. No amendment of the Merger Agreement shall affect the obligations of the Stockholders under this Agreement.

3.04. Amendments. This Agreement may not be amended except by an instrument in writing signed by all of the parties.

3.05. Certain Fiduciary Party Matters. The parties hereto acknowledge and agree that none of the provisions herein set forth shall be deemed to restrict or limit any fiduciary duty the undersigned or any partner of the undersigned or any of their respective affiliates may have as a member of the Board of Directors or an executive officer of Parent, or as counsel to Parent; provided that no such duty shall excuse the undersigned from its obligation as a stockholder of Parent to vote the Shares, to the extent that they may be so voted, as herein provided and to otherwise comply with the terms and conditions of this Agreement.

3.06. Severability. If any term or provision of this Agreement is invalid, illegal or incapable or being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon determination that any term or provision is invalid, illegal or incapable of being enforced, the parties hereby shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

3.07. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflict of laws thereof.

3.08. Descriptive Headings. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

3.09. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Upon execution of this Agreement, counterpart signature pages may be delivered by facsimile transmission.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or have caused this Agreement to be duly executed on their respective behalf by their respective trustees thereunto duly authorized, as of the date and year first above written.

D.O.S. LTD.

By: _____
Name: _____
Title: _____

Shares of Common Stock	STOCKHOLDERS:
1,686,047	BAKER HUGHES INCORPORATED By: _____ Name: _____ Title: _____
1,305,064	BRENTWOOD ASSOCIATES IV, L.P. By: Brentwood Venture Partners, L.P., its General Partner By: _____, its General Partner

End of Filing

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