

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 4
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
() Check this box if no longer subject to Section 16.
Form 4 or Form 5 obligations may continue. See Instructions 1(b).

1. Name and Address of Reporting Person
Charles L. Watson
46 Wincrest Falls Drive
TX, Cypress 77429

2. Issuer Name and Ticker or Trading Symbol
Baker Hughes Incorporated (BHI)

3. IRS or Social Security Number of Reporting Person (Voluntary)

4. Statement for Month/Day/Year
1/29/2003

5. If Amendment, Date of Original (Month/Day/Year)

6. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(X) Director () 10% Owner () Officer (give title below) () Other (specify below)

7. Individual or Joint/Group Filing (Check Applicable Line)
(X) Form filed by One Reporting Person
() Form filed by More than One Reporting Person

Table I -- Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned											
1. Title of Security	2. Trans- action Date	2A. Exec- ution Date	3. Trans- action Code	4. Securities Acquired (A) or Disposed of (D)			5. Amount of Securities Beneficially Owned Following Reported Trans(s)	6. Dir ect (D) or Indir ect(I)	7. Nature of Indirect Beneficial Ownership		
				V	Amount	A/ D					Price
Common Stock, \$1.00 par value 1	1/29/ 2003		A		1025	A	\$29.25	2227	D		

Table II -- Derivative Securitized Acquired, Disposed of, or Beneficially Owned														
1. Title of Derivative Security	2. Con- version or Exer- cise Price of Deriva- tive Secu- rity	3. Trans- action (Month/ Day/ Year)	3A. Deemed Execu- tion (Month/ Day/ Year)	4. Trans- action Code	5. Number of De- rivative Secu- rities Acqui- red(A) or Dis- posed of(D) Amount	A/ D	6. Date Exer- cisable and Expiration Date(Month/ Day/Year) Date Expir- ation Date	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Deri- vative Secu- rity	9. Number of Deriva- tive Securities Benefi- cially Owned Follow- ing Reported Trans- action(s)	10. Dir- ect (D) or Indir- ect (I)	11. Nature of Indirect Beneficial Ownership		
Stock Option (Right to Buy) 2	\$29.25	1/29/ 2 003		A	683	A	01/29 /04 01/29 /13	Common Stock , \$1.00 par value	683	\$29.25	683	D		

Explanation of Responses:
1. Restricted Stock Award to non-employee director. Vesting occurs upon the retirement of the non-employee director from the Board of Directors.
2. Option granted pursuant to the terms of the 2002 Director & Officer Long-Term Incentive Plan.
SIGNATURE OF REPORTING PERSON
Charles L. Watson
Charles L. Watson By Sandra E. Alford, Attorney-in-Fact