

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
3900 Essex Lane
Suite 1200
TX, Houston 77027-5177

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)
1/29/2003

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.	2A.	3.	4. Securities Acquired (A) or Disposed of (D)			5. Amount of	6. Dir	7. Nature of Indirect	
	Trans-	Exec-	Trans		A/	Price	Securities	ect		Beneficial Ownership
	action	ution	action		D		Beneficially	(D)or		
	Date	Date	Code	V	Amount		Owned Following	Indir		
							Reported Trans(s)	ect(I)		
Common Stock, \$1.00 par value 1	1/29/2003		A		512	A	\$29.25	1714	D	

Table II -- Derivative Securitized Acquired, Disposed of, or Beneficially Owned												
1. Title of Derivative Security	2. Conversion or Exercise Price of Derivative Security	3. Transaction (Month/Day/Year)	3A. Deemed Execution (Month/Day/Year)	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D) Amount	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities Title and Number of Shares	8. Price of Derivative Security	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s)	10. Direct or Indirect (D) or Indirect (I)	11. Nature of Indirect Beneficial Ownership	
Stock Option (Right to Buy) 2	\$29.25	1/29/2003		A	341	A 01/29/04 01/29/13	Common Stock, \$1.00 par value 341	\$29.25	341	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