

CAMERON INTERNATIONAL CORP

Form 11-K

June 28, 2007

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K
ANNUAL REPORT

þ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE**
SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2006

OR

o **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE**
SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-13884

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

INDIVIDUAL ACCOUNT RETIREMENT PLAN FOR BARGAINING
UNIT EMPLOYEES AT THE CAMERON INTERNATIONAL CORPORATION
BUFFALO, NEW YORK PLANT

B. Name of issuer of the securities held pursuant to the Plan and the address of the principal executive office:

CAMERON INTERNATIONAL CORPORATION
1333 West Loop South, Suite 1700
Houston, Texas 77027

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Financial Statements

**Individual Account Retirement Plan for Bargaining Unit Employees at the
Cameron International Corporation, Buffalo, New York Plant
As of December 31, 2006 and 2005 and for the year ended December 31, 2006**

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Financial Statements

As of December 31, 2006 and 2005 and for the year ended December 31, 2006

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Report of Independent Registered Public Accounting Firm

To Participants and Plans Administration Committee
Individual Account Retirement Plan for Bargaining Unit Employees at the
Cameron International Corporation, Buffalo, New York Plant

We have audited the accompanying statement of net assets available for benefits of the Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation, Buffalo, New York Plant (the "Plan"), as of December 31, 2006, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2006, and the changes in its net assets available for benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in note 2, the statement of net assets of the Plan as of December 31, 2005 has been reclassified to give effect to the Plan's retroactive adoption of Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1 (the FSP). The retroactive adoption of the FSP to the statement of net assets as of December 31, 2005 results in the presentation of all investments at fair value, with an adjustment to contract value separately presented. The adoption of the FSP had no impact on the Plan's net assets available for benefits as of December 31, 2005, but did impact the financial presentation and disclosure of the Plan's investment in the Stable Value Fund. We have audited the fair value of the Plan's investment in the Stable Value Fund at December 31, 2005 and the adjustment from fair value to contract value, and such amounts are fairly presented, in all material respects, in the reclassified statement of net assets available for benefits as of December 31, 2005.

/s/ Mir•Fox & Rodriguez, P.C.

Houston, Texas
June 26, 2007

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Report of Independent Registered Public Accounting Firm

To Participants and Plans Administration Committee
Individual Account Retirement Plan for Bargaining Unit Employees at the
Cameron International Corporation, Buffalo, New York Plant

We have audited the accompanying statement of net assets available for benefits of the Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation, Buffalo, New York Plant (the "Plan"), as of December 31, 2005. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

Houston, Texas
June 8, 2006

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Statements of Net Assets Available for Benefits

	December 31,	
	2006	2005
Assets		
Employer contributions receivable	\$ 62,431	\$ 55,877
Participant contributions receivable	70	—
Plan interest in the Cameron International Corporation Master Trust	17,867,726	15,691,228
Net assets reflecting all investments at fair value	17,930,227	15,747,105
Adjustment from fair value to contract value for interest in Cameron International Corporation Master Trust relating to fully benefit-responsive investment contracts		
	30,952	14,812
Net assets available for benefits	\$ 17,961,179	\$ 15,761,917

The accompanying notes are an integral part of these statements.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2006

Additions:		
Employer contributions	\$	585,638
Employee contributions		736,266
Rollovers		41,485
Net investment gain from the Cameron International Corporation Master Trust		1,938,878
Total additions		3,302,267
Deductions:		
Administrative fees		(26,086)
Benefits paid to participants		(1,076,919)
Total deductions		(1,103,005)
Net increase in net assets available for benefits		2,199,262
Net assets available for benefits at:		
Beginning of year		15,761,917
End of year	\$	17,961,179

The accompanying notes are an integral part of these statements.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements

December 31, 2006

1. Description of the Plan

The Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation, Buffalo, New York Plant (the "Plan"), formerly Individual Account Retirement Plan for Bargaining Unit Employees at the Cooper Cameron Corporation, Buffalo, New York Plant, is a profit-sharing plan which provides payments to eligible employees of Cameron International Corporation and certain subsidiaries (the "Company") at termination, retirement, death or disability. All union employees of the Company belonging to Local Lodge No. 330, District 76 of the International Association of Machinists and Aerospace Workers, are eligible for participation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Company contributes to each participant's account monthly based on hours actively worked and specific contribution rates as defined in the Plan document. Contributions are also made for each hour incurred for overtime, vacations or holidays, but excludes sick time for which the employee may be paid. Company contributions are allocated among the investment fund options that have been selected by each employee. Vesting in employer contributions is on a graduated scale with 100% vesting at five years. As a result of passage of the Pension Protection Act of 2006, all active participants in the Plan as of January 1, 2007 now become 100% vested in the employer contributions upon completion of three years of service (three-year cliff vesting).

Amounts which are forfeited due to a participant's termination of employment prior to vesting in employer contributions made on the participant's behalf are used to reduce the required Company contribution in subsequent periods. In 2006, forfeited nonvested amounts totaling \$143 were used to reduce employer contributions. Upon termination of the Plan, all remaining forfeitures are to be allocated to the participant accounts.

The Plan allows for employee contributions based on hours actively worked and elected contribution rates. Electing to contribute is voluntary, and these contributions are immediately 100% vested. Participants may elect to have their contributions allocated in 1% increments to one or more of the investment fund options offered by the Plan. Allocations among the investment accounts may be changed at the participant's discretion on a daily basis.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

More detailed information about the Plan, including the funding, vesting and benefit provisions, is contained in the *Summary Plan Description*. A copy of this pamphlet is available at the Company's corporate office.

2. Significant Accounting Policies

Accounting Principles

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

The financial statements reflect the adoption of the Financial Accounting Standards Board Staff Position, FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP). As required by the FSP, the statements of net assets available for benefits present investment contracts at fair value as well as an additional line item showing an adjustment of fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract value basis and was not affected by the adoption of the FSP. The adoption of the FSP resulted in the reclassification of certain amounts on the statement of net assets available for benefits as of December 31, 2005 to conform to the 2006 presentation.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Accounting Principles (continued)

Employer profit-sharing contributions are recorded in the period in which the related employee services are rendered.

Benefit payments to participants are recorded upon distribution.

New Accounting Pronouncement

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurement. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Management is currently evaluating what impact the adoption of SFAS No. 157 will have on the Plan's financial statements.

Investments

The Plan's investments are held in the Cameron International Corporation Master Trust ("Master Trust"). Nationwide Trust Company served as trustee for the years ended December 31, 2006 and 2005. The Plan participates in only certain investment accounts of the Master Trust. The fair value of the Plan's interest in the Master Trust is based on the specific interests that it has in each of the underlying participant-directed investment accounts.

The following is a summary of those investment accounts and the Plan's beneficial interest in those investment accounts as of December 31, 2006 and 2005.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)**Investments (continued)**

	Beneficial Interest at December 31,	
	2006	2005
Cameron International Stock Fund	0.71%	0.69%
Fidelity Growth Company Fund	100.00	100.00
Stable Value Fund	4.34	4.25
State Street Bank S&P 500 Index Fund	—	2.35
PIMCO Total Return Administrative Shares Fund	4.80	5.20
Washington Mutual Investors Fund /A	4.32	5.32
Growth Fund of America/A	—	3.61
Franklin Balance Sheet Investment Fund/A	3.80	4.12
Lord Abbett Developing Growth Fund/A	4.01	4.24
EuroPacific Growth Fund/A	4.79	4.47
Barclays Global Investors Equity Index Fund	2.09	—
MFS Massachusetts Investors Growth/A	3.14	—

Purchases and sales of securities by the Master Trust are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded as of the ex-dividend date.

The Master Trust's investments in securities traded on national securities exchanges or in the over-the-counter market are stated at fair value which equals their quoted market price on the last business day of the Plan year. Investments in money market funds are stated at cost, which approximates fair value.

The Stable Value Fund ("Stable Value Fund") is a master trust investment account managed by AMVESCAP National Trust Company, an affiliate of INVESCO Institutional (N.A.), Inc., the trustee of the INVESCO Group Trust for Retirement Savings, a Common Collective Trust, in which the assets of multiple qualified plans are invested. The Stable Value Fund invests in actively managed synthetic bank and insurance company investment contracts ("SICs") and in guaranteed investment contracts ("GICs"). These contracts have varying yields and maturity dates and are fully benefit responsive. These contracts are stated at contract value which represents cost plus accrued income. The fair value of the GICs has been estimated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Individual assets of the SICs are valued at representative quoted market prices. The fair value of the wrap contracts for the SICs is determined using the market approach

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Investments (continued)

discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period-end.

Although it is management's intention to hold the investment contracts until maturity, certain investment contracts provide for adjustments to contract value for withdrawals made prior to maturity.

Risks and Uncertainties

The Master Trust provides for various investments which, in general, are exposed to interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is likely that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and individual participant account balances.

3. Separate Investment Accounts of the Cameron International Corporation Master Trust

The purpose of the Master Trust is the collective investment of the assets of participating employee benefit plans of the Company. Master Trust assets are allocated among participating plans by assigning to each plan those transactions (primarily contributions, participant loan transactions, benefit payments and certain administrative expenses) which can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, the income and expenses resulting from the collective investment of the assets. The Master Trust includes assets of other employee benefit plans in addition to this Plan.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

The following table presents the fair value of investments for the separate investment accounts of the Master Trust:

December 31, 2006	Cameron International Stock Fund	Washington Mutual Investors Fund/A	Stable Value Fund	MFS Massachusetts Investors Growth/A	Real Estate Fund	Barclays Global Investors Equity Index Fund	Fidelity Growth Company Fund	PIMCO Total Return Administrative Shares Fund
Assets:								
Cash	\$304,002	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net unsettled sales of investments	159,562	-	-	-	-	-	-	-
Income receivable	3,837,585	-	-	-	-	-	-	-
Investments at fair value as determined by quoted market prices:								
Money market funds	986,773	-	-	-	544,406	-	-	-
Cash Management Trust of America	-	-	2,334,501	-	-	-	-	-
Cameron International Corporation Common Stock	120,687,212	-	-	-	-	-	-	-
Washington Mutual Investors Fund/A	-	57,035,032	-	-	-	-	-	-
MFS Massachusetts Investors Growth/A	-	-	-	45,325,015	-	-	-	-
Fidelity Growth Company Fund	-	-	-	-	-	-	2,068,625	-
Barclays Global Investors Equity Index Fund	-	-	-	-	-	27,974,437	-	-
	-	-	-	-	-	-	-	53,542,359

PIMCO Total Return Administrative Shares Fund Franklin Balance Sheet Investment Fund/A	-	-	-	-	-	-	-	-	-
Lord Abbett Developing Growth Fund/A	-	-	-	-	-	-	-	-	-
EuroPacific Growth Fund/A	-	-	-	-	-	-	-	-	-
Investments at estimated fair value:									
INVESTCO Group Trust for Retirement Savings:									
Investments	-	-	75,725,805	-	-	-	-	-	-
Wrapper contracts	-	-	-	-	-	-	-	-	-
Participant loans	10,078,658	-	-	-	-	-	-	-	-
Real estate	-	-	-	-	110,000	-	-	-	-
Total investments	131,752,643	57,035,032	78,060,306	45,325,015	654,406	27,974,437	2,068,625	53,542,359	
Total assets	136,053,792	57,035,032	78,060,306	45,325,015	654,406	27,974,437	2,068,625	53,542,359	
Liabilities:									
Other payables	235,916	-	-	-	-	-	-	-	-
Net unsettled purchases of investments	1,118,112	-	-	-	-	-	-	-	-
Net assets reflecting all investments at fair value	134,699,764	57,035,032	78,060,306	45,325,015	654,406	27,974,437	2,068,625	53,542,359	
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	-	712,756	-	-	-	-	-	-
Net assets available to participating plans	\$134,699,764	\$57,035,032	\$78,773,062	\$45,325,015	\$654,406	\$27,974,437	\$2,068,625	\$53,542,359	

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

The following table presents the fair value of investments for the separate investment accounts of the Master Trust:

December 31, 2005	Cameron International Stock Fund	Washington Mutual Investors Fund/A	Stable Value Fund	Growth Fund of America/A	Real Estate Fund	State Street Bank S&P 500 Index Fund	Fidelity Growth Company Fund	PIMCO Total Return Administrative Shares Fund	Total Investment Balance
Assets:									
Cash	\$176,878	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Net unsettled sales of investments	79,616	-	-	-	-	-	-	-	-
Income receivable	2,346,558	-	-	-	-	-	-	-	-
Investments at fair value as determined by quoted market prices:									
Money market funds	335,385	-	-	-	484,543	-	-	-	-
Cash Management Trust of America	-	-	1,615,148	-	-	-	-	-	-
Cameron International Corporation Common Stock	103,353,527	-	-	-	-	-	-	-	-
Washington Mutual Investors Fund/A	-	42,556,162	-	-	-	-	-	-	-
Growth Fund of America/A	-	-	-	37,949,712	-	-	-	-	-
Fidelity Growth Company Fund	-	-	-	-	-	-	2,052,653	-	-
State Street Bank S&P 500 Index Fund	-	-	-	-	-	25,571,523	-	-	-
PIMCO Total Return Administrative Shares Fund	-	-	-	-	-	-	-	45,375,946	-
Franklin Balance Sheet Investment	-	-	-	-	-	-	-	-	3

Fund/A									
Lord Abbett Developing Growth Fund/A	-	-	-	-	-	-	-	-	-
EuroPacific Growth Fund/A	-	-	-	-	-	-	-	-	-
Investments at estimated fair value:									
INVESCO Group Trust for Retirement Savings:									
Investments	-	-	62,386,761	-	-	-	-	-	-
Wrapper contracts	-	-	-	-	-	-	-	-	-
Participant loans	9,367,134	-	-	-	-	-	-	-	-
Real estate	-	-	-	-	165,000	-	-	-	-
Total investments	113,056,046	42,556,162	64,001,909	37,949,712	649,543	25,571,523	2,052,653	45,375,946	3
Total assets	115,659,098	42,556,162	64,001,909	37,949,712	649,543	25,571,523	2,052,653	45,375,946	3
Liabilities:									
Other payables	123,681	-	-	-	-	-	-	-	-
Net unsettled purchases of investments	393,730	-	-	-	-	-	-	-	-
Net assets reflecting all investments at fair value	115,141,687	42,556,162	64,001,909	37,949,712	649,543	25,571,523	2,052,653	45,375,946	3
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	-	348,295	-	-	-	-	-	-
Net assets available to participating plans	\$115,141,687	\$42,556,162	\$64,350,204	\$37,949,712	\$649,543	\$25,571,523	\$2,052,653	\$45,375,946	\$3

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

Investment income and the net realized and unrealized appreciation (depreciation) in fair value of the investments held throughout the year or bought and sold during the year in the separate investment accounts of the Master Trust are as follows:

Year ended December 31, 2006	Net Appreciation (Depreciation)	Interest and Dividends	Total
Cameron International Stock Fund	\$30,078,654	\$18,947	\$30,097,601
Fidelity Growth Company Fund	193,073	-	193,073
Stable Value Fund	-	3,432,327	3,432,327
PIMCO Total Return Administrative Shares Fund	(582,287)	2,432,300	1,850,013
Washington Mutual Investors Fund/A	6,131,915	2,317,625	8,449,540
Growth Fund of America/A and MFS			
Massachusetts Investors Growth/A	2,543,280	1,815,271	4,358,551
Franklin Balance Sheet Investment Fund/A	3,131,178	3,377,587	6,508,765
Lord Abbett Developing Growth Fund/A	(980,170)	3,044,644	2,064,474
EuroPacific Growth Fund/A	4,059,425	2,781,511	6,840,936
Real Estate Fund	-	20,753	20,753
State Street Bank S&P 500 Index Fund and Barclays Global Investors Equity Index Fund	3,856,485	-	3,856,485
	\$48,431,553	\$19,240,965	\$67,672,518

Administrative expenses paid by the Master Trust for the year ended December 31, 2006 totaled \$421,642, of which \$26,086 has been allocated to the Plan.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
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Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

Stable Value Fund

Objectives of the Stable Value Fund

The Stable Value Fund's key objectives are to provide preservation of principal, maintain a stable interest rate, and provide daily liquidity at contract value for participant withdrawals and transfers in accordance with the provisions of the Plan.

Nature of Investment Contracts

To accomplish the objectives outlined above, the Stable Value Fund invests primarily in investment contracts such as GICs and SICs. In a traditional GIC, the issuer takes a deposit from the Stable Value Fund and purchases investments that are held in the issuer's general account. The issuer is contractually obligated to repay the principal and a specified rate of interest guaranteed to the Stable Value Fund.

With regard to a SIC, the underlying investments are owned by the Stable Value Fund and held in trust for plan participants. The Stable Value Fund purchases a wrapper contract from an insurance company or bank. The wrapper contract amortizes the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate (which is the rate earned by participants in the Stable Value Fund for the underlying investments). The issuer of the wrapper contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero. An interest crediting rate less than zero would result in a loss of principal or accrued interest.

Calculating the Interest Crediting Rate in Wrapper Contracts

The key factors that influence future interest crediting rates for a wrapper contract include:

- The level of market interest rates
- The amount and timing of participant contributions, transfers, and withdrawals into/out of the wrapper contract
 - The investment returns generated by the fixed income investments that back the wrapper contract
 - The duration of the underlying investments backing the wrapper contract

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

Stable Value Fund (continued)

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis. Over time, the interest crediting rate amortizes the Stable Value Fund's realized and unrealized market value gains and losses over the duration of the underlying investments.

Because changes in market interest rates affect the yield to maturity and the market value of the underlying investments, they can have a material impact on the wrapper contract's interest crediting rate. In addition, participant withdrawals and transfers from the Stable Value Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Stable Value Fund's Statement of Assets and Liabilities as the "Adjustment from Fair Value to Contract Value". If the Adjustment from Fair Value to Contract Value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. The embedded market value losses will be amortized in the future through a lower interest crediting rate than would otherwise be the case. If the Adjustment from Fair Value to Contract Value figure is negative, this indicates that the wrapper contract value is less than the market value of the underlying investments. The amortization of the embedded market value gains will cause the future interest crediting rate to be higher than it otherwise would have been.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)

Stable Value Fund (continued)

All wrapper contracts provide for a minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrapper contract are satisfied, the wrapper issuers will pay to the Plan the shortfall needed to maintain the interest crediting rate at zero. This helps to ensure that participants' principal and accrued interest will be protected.

Events That Limit the Ability of the Stable Value Fund to Transact at Contract Value

In certain circumstances, the amount withdrawn from the wrapper contract would be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Company elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer's underwriting criteria for issuance of a clone wrapper contract.

Issuer-Initiated Contract Termination

Examples of events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plan's loss of its qualified status, uncured material breaches of responsibilities, or material and adverse changes to the provisions of the Plan. If one of these events was to occur, the wrapper contract issuer could terminate the wrapper contract at the market value of the underlying investments (or in the case of a traditional GIC, at the hypothetical market value based upon a contractual formula).

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)**Stable Value Fund (continued)**

Investments in the Stable Value Fund at December 31, 2006 consisted of the following:

Contract Issuer	Security	Major Credit Rating	Investments at Fair Value	Wrapper Contracts at Fair Value	Adjustment to Contract Value
Wrapped portfolios:					
Bank of America	Wrapper INVESCO Multi-Manager Intermediate Government/Credit Fund	Aa1	\$14,659,228	\$-	\$190,167
ING	Wrapper INVESCO Short-term Bond Fund	AA/Aa3	16,158,247	-	100,870
JPMorgan Chase	Wrapper INVESCO Multi-Manager Core Fixed Income Fund	AA/Aa2	13,228,189	-	145,754
Monumental	Wrapper Cash on hand U.S. Treasury Note	AA/Aa3	82,184 1,942,611	-	14,257
Pacific Life Insurance	Wrapper INVESCO AAA Asset-Backed Securities Fund	AA/Aa3	15,153,684	-	65,636
State Street Bank	Wrapper INVESCO Multi-Manager Intermediate Government/Credit Fund	AA/Aa2	14,501,662	-	196,072
Short-term investments:					
American Funds Group	Cash Management Trust of America	N/A	2,334,501	-	-
			\$78,060,306	\$-	\$712,756

The average yield earned by the fund and the average yield based on interest rates credited to participants for the year ended December 31, 2006 was 5.082% and 5.205%, respectively. There was no change in the value of the fund's investments for the year ended December 31, 2006 due to changes in the fully benefit-responsive status of the Stable Value Fund's investment contracts.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

3. Separate Investment Accounts of the Cameron International Corporation Master Trust (continued)**Stable Value Fund (continued)**

Investments in the Stable Value Fund at December 31, 2005 consisted of the following:

Contract Issuer	Security	Major Credit Rating	Investments at Fair Value	Wrapper Contracts at Fair Value	Adjustment to Contract Value
Wrapped portfolios:					
Bank of America	Wrapper INVESCO Multi-Manager Intermediate Government/Credit Fund	Aa1	\$11,973,264	\$-	\$71,165
ING	Wrapper INVESCO Short-term Bond Fund	AA/Aa3	11,881,178	-	78,914
JPMorgan Chase	Wrapper INVESCO Multi-Manager Core Fixed Income Fund	AA/Aa2	10,361,607	-	18,998
MetLife	Wrapper IGT AAA Asset-Backed Securities Fund	AA/Aa2	14,424,735	-	112,343
Monumental	Wrapper Cash on hand U.S. Treasury Note	AA/Aa3	50,186 1,772,151	-	6,152
State Street Bank	Wrapper INVESCO Multi-Manager Intermediate Government/Credit Fund	AA/Aa2	11,923,640	-	60,723
Short-term investments:					
American Funds Group	Cash Management Trust of America	N/A	1,615,148	-	-
			\$64,001,909	\$-	\$348,295

For the year ended December 31, 2005, the average yield earned by the fund and the average yield based on interest rates credited to participants was 4.865% and 4.779%, respectively. There was no change in the value of the fund's investments for the year ended December 31, 2005 due to changes in the fully benefit-responsive status of the Stable Value Fund's investment contracts.

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Individual Account Retirement Plan for Bargaining Unit Employees at the Cameron International Corporation,
Buffalo, New York Plant

Notes to Financial Statements (continued)

4. Income Tax Status

The Plan has been designed to meet the requirements of the Internal Revenue Code (“IRC”) under Section 401(a) and, therefore, the related trust is exempt from taxation. A favorable determination letter was received from the Internal Revenue Service on September 3, 2002. Since receiving the determination letter, the Plan has been amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, continues to be qualified and the related trust remains tax exempt.

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2006 to Form 5500:

Net assets available for benefits per the financial statements	\$17,961,179
Adjustment from fair value to contract value at December 31, 2006	(30,952)
Net assets available for benefits per Form 5500	\$17,930,227

The following is a reconciliation of the net investment gain from the Cameron International Corporation Master Trust per the financial statements for the year ended December 31, 2006 to Form 5500:

Net investment gain from the Cameron International Corporation Master Trust per the financial statements	\$1,938,878
Adjustment from fair value to contract value at December 31, 2006	(30,952)
Net investment gain from the Cameron International Corporation Master Trust per Form 5500	\$1,907,926

6. Subsequent Event

In June 2007, the Company received notice that Nationwide Trust Company intended to resign as trustee of the Master Trust, effective July 31, 2007, or earlier, at the Company’s discretion. This resignation is the result of the acquisition of The 401(k) Companies, Inc. and subsidiaries, which provides administrative and other services to the Plan, by The Charles Schwab Corporation, effective March 31, 2007. The Company has chosen The Charles Schwab Trust Company to be the successor trustee of the Master Trust.

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the members of the Plans Administration Committee have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

INDIVIDUAL ACCOUNT RETIREMENT PLAN FOR BARGAINING
UNIT EMPLOYEES AT THE CAMERON INTERNATIONAL CORPORATION
BUFFALO, NEW YORK PLANT

/s/ Joseph H. Mongrain

By: Joseph H. Mongrain
Member of the Plans Administration
Committee

Date: June 27, 2007

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Exhibit Index

Exhibit 23.1 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Mir•Fox & Rodriguez, P.C.

Exhibit 23.2 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Grant Thornton LLP