

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

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 31, 2006

NATURAL GAS SERVICES GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Colorado	1-31398	75-2811855
(State or other jurisdiction of Incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

2911 South County Road 1260 Midland, Texas	79706
(Address of Principal Executive Offices)	(Zip Code)

432-563-3974
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On March 31, 2006, Natural Gas Services Group, Inc., as borrower, and Western National Bank, as lender, entered into modification agreements (collectively, the "Modification Agreements"), modifying the following promissory notes (collectively, the "Notes"), each of which evidence a loan facility made available to Natural Gas under the previously reported Sixth Amended and Restated Loan Agreement dated January 3, 2006 (the "Loan Agreement"), between Natural Gas and Western National Bank:

(1) Revolving Line of Credit Promissory Note dated January 3, 2006, in the original principal amount of \$10,000,000.00, executed by Natural Gas in favor of Western National Bank (the "Revolving Line of Credit Promissory Note");

(2) Term Promissory Note dated January 3, 2005, in the original principal amount of \$8,000,000.00, as modified by a Modification Agreement dated May 1, 2005, executed by Natural Gas in favor of Western National Bank (as so modified, the "\$8,000,000.00 Term Promissory Note");

(3) Multiple Advance Term Promissory Note dated March 14, 2005, in the original principal amount of \$10,000,000.00, as modified by a Modification Agreement dated May 1, 2005, executed by Natural Gas in favor of Western National Bank (as so modified, the "10,000,000.00 Multiple Advance Term Promissory Note"); and

(4) Advancing Line of Credit Promissory Note dated November 3, 2003, in the original principal amount of \$10,000,000.00, as modified by a Modification Agreement dated December 15, 2004, and as further modified by a Second Modification Agreement dated May 1, 2005, executed by Natural Gas in favor of Western National Bank (as so modified, the "\$10,000,000.00 Advancing Line of Credit Promissory Note").

Natural Gas and Western National Bank entered into the following Modification Agreements:

(1) Modification Agreement dated effective as of March 24, 2006, modifying the Revolving Line of Credit Promissory Note;

(2) Second Modification Agreement dated effective as of March 24, 2006, modifying the \$8,000,000.00 Term Promissory Note;

(3) Second Modification Agreement dated effective as of March 24, 2006, modifying the \$10,000,000.00 Multiple Advance Term Promissory Note; and

(4) Third Modification Agreement dated effective as of March 24, 2006, modifying the \$10,000,000.00 Advancing Line of Credit Promissory Note.

Under the Modification Agreements, the annual rate at which each Note bears interest was reduced from a variable rate equal to one-half of one percent (0.5%) over the "prime rate" to the prime rate. The "prime rate" as defined under the Loan Agreement and as it applies to the Notes means that variable rate of interest per annum published in the Money Rates section of The Wall Street Journal as its "prime rate."

In addition, under the Third Modification Agreement, the monthly principal payment due under the \$10,000,000.00 Advancing Line of Credit Promissory Note was reduced from \$166,666.67 to \$57,037.00. This reduction was precipitated by a \$5,000,000.00 prepayment of the outstanding principal balance of the \$10,000,000.00 Advancing Line of Credit Promissory Note made by Natural Gas on March 8, 2006. After such prepayment, the outstanding principal balance of the \$10,000,000.00 Advancing Line of Credit Promissory Note was approximately \$2,566,662.00. The maturity date of the \$10,000,000.00 Advancing Line of Credit Promissory Note remains November 15, 2009

The remaining terms and provisions of the Loan Agreement and the Notes remain in full force and effect.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. -----	Description -----
*10.1	Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.
*10.2	Second Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.
*10.3	Second Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.
*10.4	Third Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.

* Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATURAL GAS SERVICES GROUP, INC.

By: /s/ Stephen C. Taylor

Stephen C. Taylor, President and CEO

Dated: April 5, 2006

Exhibit No.

Description

- *10.1 Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.

- *10.2 Second Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.

- *10.3 Second Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.

- *10.4 Third Modification Agreement dated effective as of March 24, 2006, by and between Natural Gas Services Group, Inc. and Western National Bank.

* Filed herewith

Revolving Line of Credit Note
dated January 3, 2006

MODIFICATION AGREEMENT

This Modification Agreement ("Modification Agreement") is effective as of March 24, 2006. The parties to the Modification Agreement are Natural Gas Services Group, Inc. ("Borrower") and Western National Bank ("Lender").

RECITALS

On January 3, 2006, Borrower executed and delivered to Lender that certain Revolving Line of Credit Promissory Note in the original principal sum of \$10,000,000.00, bearing interest at the rate stated therein, with a stated final maturity date of December 1, 2006 (the "Note"), pursuant to that certain Sixth Amended and Restated Loan Agreement dated January 3, 2006 (the "Loan Agreement"). All liens, security interests and assignments securing the Note are collectively called the "Liens". Terms defined in the Note or the Loan Agreement and not otherwise defined herein shall have the same meanings here as in those documents.

At Borrower's request, Borrower and Lender have agreed to enter into this Modification Agreement to modify the interest provisions of the Note and to ratify the Liens. Said modified interest provisions shall be effective as of the April 1, 2006 payment.

AGREEMENT

1. Modification of Interest Provisions of the Note. In lieu of the following provisions which were contained in the first paragraph of the Note:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to one-half of one percent (0.5%) over the Prime Rate in effect from day to day, calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days, or (b) the Highest Lawful Rate."

such provisions of the Note are changed to read in their entirety as follows:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the Prime Rate in effect from day to day, or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

1

2. Ratification of Liens. Borrower and Lender further agree that all Liens securing the Note shall continue and carry forward until the Note and all indebtedness evidenced thereby is paid in full. Borrower further agrees that such liens are hereby ratified and affirmed as valid and subsisting against the collateral described therein, and that this Modification Agreement shall in no manner vitiate, affect or impair the Note or the Liens (except as expressly modified in this Modification Agreement) and that such Liens shall not in any manner be waived, released, altered or modified.

3. Miscellaneous.

(a) As modified hereby, the provisions of the Note and the Liens shall continue in full force and effect, and Borrower acknowledges and affirms its liability to Lender thereunder. In the event of an inconsistency between this Modification Agreement and the terms of the Note or of the Liens, this Modification Agreement shall govern.

(b) Borrower hereby agrees to pay all costs and expenses incurred by Lender in connection with the execution and administration of this Modification Agreement.

(c) Any default by Borrower in the performance of its obligations

herein contained shall constitute a default under the Note and the Liens and shall allow Lender to exercise any or all of its remedies set forth in such Note and Liens or at law or in equity.

- (d) Lender does not, by its execution of this Modification Agreement, waive any rights it may have against any person not a party hereto.
- (e) All terms, provisions, covenants, agreements, and conditions of the Note and the Liens are unchanged, except as provided herein. Borrower agrees that this Modification Agreement and all of the covenants and agreements contained herein shall be binding upon Borrower and shall inure to the benefit of Lender and each of their respective heirs, executors, legal representatives, successors, and permitted assigns.

THIS MODIFICATION AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Borrower:

Natural Gas Services Group, Inc.

By: /s/ Stephen C. Taylor

Stephen C. Taylor, President

Lender:

Western National Bank

By /s/ Scott A. Lovett

Scott A. Lovett, Executive Vice President

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Stephen C. Taylor, President of Natural Gas Services Group, Inc., a Colorado corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, 2006, by Scott A. Lovett, Executive Vice President of Western National Bank, a national banking association, on behalf of said association.

Notary Public, State of Texas

\$8,000,000.00 Term Note
dated January 3, 2005

SECOND MODIFICATION AGREEMENT

This Second Modification Agreement ("Second Modification Agreement") is effective as of March 24, 2006. The parties to the Second Modification Agreement are Natural Gas Services Group, Inc. ("Borrower") and Western National Bank ("Lender").

RECITALS

On January 3, 2005, Borrower executed and delivered to Lender that certain Term Promissory Note in the original principal sum of \$8,000,000.00, bearing interest at the rate stated therein, with a stated final maturity date of January 1, 2012, as modified in Modification Agreement dated May 1, 2005 (the "Note"), pursuant to that certain Third Amended and Restated Loan Agreement dated January 3, 2005, as amended and restated in that certain Fourth Amended and Restated Loan Agreement dated March 14, 2005, as modified in First Modification to Fourth Amended and Restated Loan Agreement dated May 1, 2005, and further amended and restated in Fifth Amended and Restated Loan Agreement dated September 26, 2005, and further amended and restated in Sixth Amended and Restated Loan Agreement dated January 3, 2006 (the "Loan Agreement"). All liens, security interests and assignments securing the Note are collectively called the "Liens". Terms defined in the Note or the Loan Agreement and not otherwise defined herein shall have the same meanings here as in those documents.

At Borrower's request, Borrower and Lender have agreed to enter into this Second Modification Agreement to modify the interest provisions of the Note and to ratify the Liens. Said modified interest provisions shall be effective as of the April 1, 2006 payment.

AGREEMENT

1. Modification of Interest Provisions of the Note. In lieu of the following provisions which were contained in the first paragraph of the Note:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the greater of (i) one-half percent (0.5%) over the Prime Rate in effect from day to day, or (ii) six percent (6.0%), or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

such provisions of the Note are changed to read in their entirety as follows:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the Prime Rate in effect from day to day, or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

1

2. Ratification of Liens. Borrower and Lender further agree that all Liens securing the Note shall continue and carry forward until the Note and all indebtedness evidenced thereby is paid in full. Borrower further agrees that such liens are hereby ratified and affirmed as valid and subsisting against the collateral described therein, and that this Second Modification Agreement shall in no manner vitiate, affect or impair the Note or the Liens (except as expressly modified in this Second Modification Agreement) and that such Liens shall not in any manner be waived, released, altered or modified.

3. Miscellaneous.

(a) As modified hereby, the provisions of the Note and the Liens shall continue in full force and effect, and Borrower acknowledges and affirms its liability to Lender thereunder. In the event of an inconsistency between this Second Modification Agreement and the terms of the Note or of the Liens, this Second Modification Agreement shall govern.

- (b) Borrower hereby agrees to pay all costs and expenses incurred by Lender in connection with the execution and administration of this Second Modification Agreement.
- (c) Any default by Borrower in the performance of its obligations herein contained shall constitute a default under the Note and the Liens and shall allow Lender to exercise any or all of its remedies set forth in such Note and Liens or at law or in equity.
- (d) Lender does not, by its execution of this Second Modification Agreement, waive any rights it may have against any person not a party hereto.
- (e) All terms, provisions, covenants, agreements, and conditions of the Note and the Liens are unchanged, except as provided herein. Borrower agrees that this Second Modification Agreement and all of the covenants and agreements contained herein shall be binding upon Borrower and shall inure to the benefit of Lender and each of their respective heirs, executors, legal representatives, successors, and permitted assigns.

THIS SECOND MODIFICATION AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Borrower:

Natural Gas Services Group, Inc.

By: /s/ Stephen C. Taylor

Stephen C. Taylor, President

Lender:

Western National Bank

By: /s/ Scott A. Lovett

Scott A. Lovett, Executive Vice President

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Stephen C. Taylor, President of Natural Gas Services Group, Inc., a Colorado corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Scott A. Lovett, Executive Vice President of Western National Bank, a national banking association, on behalf of said association.

Notary Public, State of Texas

\$10,000,000.00 Multiple Advance Term Note
dated March 14, 2005

SECOND MODIFICATION AGREEMENT

This Second Modification Agreement ("Second Modification Agreement") is effective as of March 24, 2006. The parties to the Second Modification Agreement are Natural Gas Services Group, Inc. ("Borrower") and Western National Bank ("Lender").

RECITALS

On March 14, 2005, Borrower executed and delivered to Lender that certain Multiple Advance Term Promissory Note in the original principal sum of \$10,000,000.00, bearing interest at the rate stated therein, with a stated final maturity date of April 1, 2011, as modified in Modification Agreement dated May 1, 2005 (the "Note"). The Note was made pursuant to that certain Fourth Amended and Restated Loan Agreement dated March 14, 2005, as modified in that certain First Modification to Fourth Amended and Restated Loan Agreement dated May 1, 2005; and further amended and restated in that certain Fifth Amended and Restated Loan Agreement dated September 26, 2005; and further amended and restated in that certain Sixth amended and Restated Loan Agreement dated January 3, 2006 (the "Loan Agreement"). All liens, security interests and assignments securing the Note are collectively called the "Liens". Terms defined in the Note or the Loan Agreement and not otherwise defined herein shall have the same meanings here as in those documents.

At Borrower's request, Borrower and Lender have agreed to enter into this Second Modification Agreement to modify the interest provisions of the Note and to ratify the Liens. Said modified interest provisions shall be effective as of the April 1, 2006 payment.

AGREEMENT

1. Modification of Interest Provisions of the Note. In lieu of the following provisions which were contained in the first paragraph of the Note:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the greater of (i) one-half percent (0.5%) over the Prime Rate in effect from day to day, or (ii) six and one-quarter percent (6.25%), or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

such provisions of the Note are changed to read in their entirety as follows:

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"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the Prime Rate in effect from day to day, or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

2. Ratification of Liens. Borrower and Lender further agree that all Liens securing the Note shall continue and carry forward until the Note and all indebtedness evidenced thereby is paid in full. Borrower further agrees that such liens are hereby ratified and affirmed as valid and subsisting against the collateral described therein, and that this Second Modification Agreement shall in no manner vitiate, affect or impair the Note or the Liens (except as expressly modified in this Second Modification Agreement) and that such Liens shall not in any manner be waived, released, altered or modified.

3. Miscellaneous.

(a) As modified hereby, the provisions of the Note and the Liens shall continue in full force and effect, and Borrower acknowledges and affirms its liability to Lender thereunder. In the event of an inconsistency between this Second Modification Agreement and the terms of the Note or of the

Liens, this Second Modification Agreement shall govern.

- (b) Borrower hereby agrees to pay all costs and expenses incurred by Lender in connection with the execution and administration of this Second Modification Agreement.
- (c) Any default by Borrower in the performance of its obligations herein contained shall constitute a default under the Note and the Liens and shall allow Lender to exercise any or all of its remedies set forth in such Note and Liens or at law or in equity.
- (d) Lender does not, by its execution of this Second Modification Agreement, waive any rights it may have against any person not a party hereto.
- (e) All terms, provisions, covenants, agreements, and conditions of the Note and the Liens are unchanged, except as provided herein. Borrower agrees that this Second Modification Agreement and all of the covenants and agreements contained herein shall be binding upon Borrower and shall inure to the benefit of Lender and each of their respective heirs, executors, legal representatives, successors, and permitted assigns.

THIS SECOND MODIFICATION AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Borrower:

Natural Gas Services Group, Inc.

By: /s/ Stephen C. Taylor

Stephen C. Taylor, President

Lender:

Western National Bank

By: /s/ Scott A. Lovett

Scott A. Lovett, Executive Vice President

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Stephen C. Taylor, President of Natural Gas Services Group, Inc., a Colorado corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Scott A. Lovett, Executive Vice President of Western National Bank, a national banking association, on behalf of said association.

Notary Public, State of Texas

\$10,000,000 Advance Note
November 3, 2003

THIRD MODIFICATION AGREEMENT

This Third Modification Agreement ("Third Modification Agreement") is effective as of March 24, 2006. The parties to the Third Modification Agreement are Natural Gas Services Group, Inc. ("Borrower") and Western National Bank ("Lender").

RECITALS

On November 3, 2003, Borrower executed and delivered to Lender that certain Advancing Line of Credit Promissory Note in the original principal sum of \$10,000,000.00, bearing interest at the rate stated therein, with a stated final maturity date of November 15, 2009, as modified in Modification Agreement dated December 15, 2004, and further modified in Second Modification Agreement dated May 1, 2005 (the "Note"). The Note was made pursuant to that certain Second Amended and Restated Loan Agreement dated November 3, 2003, as amended and restated in that certain Third Amended and Restated Loan Agreement dated January 3, 2005, and further amended and restated in that certain Fourth Amended and Restated Loan Agreement dated March 14, 2005, as modified in that certain First Modification to Fourth Amended and Restated Loan Agreement dated May 1, 2005; and further amended and restated in that certain Fifth Amended and Restated Loan Agreement dated September 26, 2005; and further amended and restated in that certain Sixth Amended and Restated Loan Agreement dated January 3, 2006 (the "Loan Agreement"). All liens, security interests and assignments securing the Note are collectively called the "Liens". Terms defined in the Note or the Loan Agreement and not otherwise defined herein shall have the same meanings here as in those documents.

Borrower now proposes to pay down a portion of the outstanding principal amount of the Note. In this regard, Borrower and Lender have agreed to enter into this Third Modification Agreement (i) to modify the interest provisions of the Note to provide for an decrease in the interest rate of one-half of one percent (.05%) and to eliminate the interest floor; (ii) to modify the amount of the monthly principal payments; and (iii) to ratify the Liens.

AGREEMENT

1. Modification of Interest Provision of the Note. In lieu of the following provision which was contained in the Note:

"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the greater of (i) one-half percent (0.5%) over the Prime Rate in effect from day to day, or (ii) five and one-quarter percent (5.25%), or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days." such provision of the Note is changed to read in its entirety as follows:

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"...at a rate per annum which shall from day to day be equal to the lesser of (a) a rate per annum (the "Established Rate") equal to the Prime Rate in effect from day to day, or (b) the Highest Lawful Rate, in each case calculated on the basis of actual days elapsed, but computed as if each calendar year consisted of 360 days."

2. Modification of Payment Provisions of the Note. In lieu of the following provision which was contained in the fourth (4th) paragraph of the Note:

"The principal of this Note shall be due and payable as follows:

(a) with respect to the principal balance outstanding under this Note on December 15, 2004, in fifty-nine (59) consecutive monthly installments of \$166,666.67, with the first (1st) such installment being due and payable on December 5, 2004 and a like installment being due and payable on the 15th day of each succeeding month to and including October 15, 2009; plus

(b) 1/60th of the sum of all advances made by Lender under this

note after December 15, 2004 and prior to March 31, 2005 and a like installment being due and payable on the 15th day of each succeeding month to and including October 15, 2009; plus

- (c) 1/60th of the sum of all advances made by Lender under this note after April 1, 2005 and prior to June 30, 2005, and a like installment being due and payable on the 15th day of each succeeding month to and including October 15, 2009; plus
- (d) 1/60th of the sum of all advances made by Lender under this note after July 1, 2005 and prior to September 30, 2005 and a like installment being due and payable on the 15th day of each succeeding month to and including October 15, 2009; plus
- (e) 1/60th of the sum of all advances made by Lender under this note after October 1, 2005 and prior to December 15, 2005 and a like installment being due and payable on the 15th day of each succeeding month to and including October 15, 2009; plus
- (f) one final installment in an amount equal to all remaining unpaid principal and accrued and unpaid interest on the Note shall be due and payable on November 15, 2009.

Interest, computed on the unpaid balance of the Note, shall be due and payable monthly as it accrues, on the same dates as, but in addition to each installment of principal." such provision of the Note is changed to read as follows:

"The principal of this Note shall be due and payable in (a) forty-four consecutive monthly installments of \$57,037.00, with the first such installment being due and payable on April 15, 2006, and a like installment being due and payable on the fifteenth (15th) day of each succeeding month to and including October 15, 2009; and (b) one final installment in an amount equal to all remaining unpaid principal and accrued and unpaid interest on this Note shall be due and payable on November 15, 2009. Interest, computed on the unpaid balance of this Note, shall be due and payable monthly as it accrues, on the same dates as, but in addition to each installment of principal."

3. Ratification of Liens. Borrower and Lender further agree that all Liens securing the Note shall continue and carry forward until the Note and all indebtedness evidenced thereby is paid in full. Borrower further agrees that such Liens are hereby ratified and affirmed as valid and subsisting against the collateral described therein, and that this Third Modification Agreement shall in no manner vitiate, affect or impair the Note or the Liens (except as expressly modified in this Third Modification Agreement) and that such Liens shall not in any manner be waived, released, altered or modified.

4. Miscellaneous.

- (a) As modified hereby, the provisions of the Note and the Liens shall continue in full force and effect, and Borrower acknowledges and affirms its liability to Lender thereunder. In the event of an inconsistency between this Third Modification Agreement and the terms of the Note or of the Liens, this Third Modification Agreement shall govern.
- (b) Borrower hereby agrees to pay all costs and expenses incurred by Lender in connection with the execution and administration of this Third Modification Agreement.
- (c) Any default by Borrower in the performance of its obligations herein contained shall constitute a default under the Note and the Liens and shall allow Lender to exercise any or all of its remedies set forth in such Note and Liens or at law or in equity.
- (d) Lender does not, by its execution of this Third Modification Agreement, waive any rights it may have against any person not a party hereto.
- (e) All terms, provisions, covenants, agreements, and conditions of the Note and the Liens are unchanged, except as provided herein. Borrower agrees that this Third Modification Agreement and all of the covenants and agreements contained herein shall be binding upon Borrower and shall inure to the benefit of Lender and each of their respective heirs, executors, legal representatives, successors, and permitted assigns. THIS THIRD MODIFICATION AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Borrower:

Natural Gas Services Group, Inc.

By: /s/ Stephen C. Taylor

Stephen C. Taylor, President

Lender:

Western National Bank

By: /s/ Scott A. Lovett

Scott A. Lovett, Executive Vice President

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Stephen C. Taylor, President of Natural Gas Services Group, Inc., a Colorado corporation, on behalf of said corporation.

Notary Public, State of Texas

STATE OF TEXAS ss.
 ss.
COUNTY OF MIDLAND ss.

This instrument was acknowledged before me on March 31, 2006, by Scott A. Lovett, Executive Vice President of Western National Bank, a national banking association, on behalf of said association.

Notary Public, State of Texas