

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the
Securities Exchange Act of 1934

March 30, 2004
Date of Report (date of earliest event reported)

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)

(Commission File No.)

(I.R.S. Employer
Identification No.)

2911 SCR 1260, Midland, Texas

79706

(Address of principal executive offices)

(Zip Code)

(432) 563-3974

(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

On March 30, 2004, Natural Gas Services Group, Inc. issued a news release announcing the automatic conversion of its 10% Convertible Series A Preferred Stock (the "Preferred Stock"). A total of 315,154 shares of Preferred Stock are outstanding. Pursuant to the conversion terms of the Preferred Stock, each share of Preferred Stock automatically converts into one share of the Company's common stock upon the Company's common stock trading for 20 consecutive trading days at a price of at least \$6.50 per share. The conversion threshold was met on March 26, 2004. Thus, 315,154 shares of Company common stock will be issued in connection with the conversion. The news release is filed with this report as Exhibit 99.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements

None

(b) Pro Forma Financial Information

None

(c) Exhibits

Exhibit 99 News Release issued by Natural Gas Services Group,
Inc. on March 30, 2004.

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.

Dated: April 2, 2004

NATURAL GAS SERVICES GROUP, INC.

By: /s/ Earl R. Wait

Earl R. Wait
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER

DESCRIPTION

99

News Release dated March 30, 2004

FOR IMMEDIATE RELEASE
March 30, 2004

NEWS
Amex - NGS, NGS.WS

NATURAL GAS SERVICES GROUP ANNOUNCES CONVERSION OF SERIES A
PREFERRED STOCK INTO COMMON STOCK

Stock Traded For 20 Consecutive Trading Days At Or Above \$6.50 Per Share

MIDLAND, Texas, March 30, 2004 - Natural Gas Services Group, Inc. (AMEX:NGS), a leading provider of equipment and services to the natural gas and oil industry, announces conditions required for the automatic conversion of the Company's 10% convertible Series A Preferred Stock have been met. The Preferred Stock was able to be automatically converted into Common Stock at any time after six months from the Initial Public Offering, if the Common Stock traded for 20 consecutive trading days at a price equivalent to 200% of the then Conversion price - initially 200% is \$6.50 per share. The Company reached the 20 consecutive trading days at the close of business on Friday, March 26, 2004.

As of March 25, 2004 a total of 315,154 shares of Preferred Stock were outstanding. The Preferred Stock had a cumulative annual dividend rate of 10% payable in cash. The Company will no longer be required to pay a dividend on the Preferred Stock, in effect saving approximately \$100,000 annually. This savings will have a positive effect on Net Income, Cash Flow, EBITDA and Fully Diluted Earnings Per Share.

Wallace Sparkman, Interim President, said, "I am very pleased we have reached 20 consecutive trading days at \$6.50 or above and have been able to convert the remaining Preferred Stock to Common Stock. It reinforces our initial success and further proves we are well positioned to achieve our long-term goal of being the industry leader of small to medium horsepower compressors.

About Natural Gas Services Group, Inc. (NGS)
NGS manufactures, fabricates, sells, leases and services natural gas compressors that enhance the production of oil and gas wells. The Company also manufactures and sells flare systems and flare ignition systems for plant and production facilities.

For More Information, Contact: Wallace Sparkman, Interim President
800-580-1828
Jim Drewitz, Investor Relations
jdrewitz@comcast.net
972-355-6070

For more information about the Company's visit its website at www.ngsgi.com.

Certain statements contained herein are "forward looking" statements as such term is defined in the Private Securities Litigation Reform Act of 1995. Because statements include risks and uncertainties, actual results may differ materially from those expressed or implied and include, but are not limited to, those discussed in filings by the Company with the Securities and Exchange Commission.

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