
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): October 19, 2004

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

Colorado (State or other jurisdiction of Incorporation or organization)	1-31398 (Commission File Number)	75-2811855 (IRS Employer Identification No.)
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2911 South County Road 1260 Midland, Texas
(Address of Principal Executive Offices)

79706
(Zip Code)

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

Item 7.01. Regulation FD Disclosure.

Natural Gas Services Group, Inc. wishes to disclose its press release, dated October 19, 2004, relating to a Stock Purchase Agreement that it entered into with Screw Compression Systems, Inc. and the stockholders of Screw Compression Systems, Inc. Under this agreement, Natural Gas Services Group will acquire all of the outstanding capital stock of Screw Compression Systems, Inc. for \$15 million (consisting of cash, three-year promissory notes and shares of common stock of Natural Gas Services Group). SCS is a privately owned manufacturer of natural gas compressors headquartered in Tulsa, Oklahoma.

A copy of the press release is furnished herewith as Exhibit 99.1 and is also incorporated herein by reference.

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

The information in this report (including the exhibit) is being furnished pursuant to Item 7.01 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by specific reference in such a filing.

This report, including the press release, contains forward-looking statements subject to various risks and uncertainties that could cause the future plans, objectives and performance of Natural Gas Services Group to differ

materially from those in the forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "subject to," "anticipate," "estimate," "continue," "future," "appears," "prospective," "designed," or other variations thereof or comparable terminology. Factors that could cause or contribute to such differences could include, but are not limited to,

- o those relating to the company's expansion strategy,
- o changes in demand for the company's products because of changes in oil and natural gas prices,
- o competition among the various providers of compression services and products,
- o changes in safety, health and environmental regulations pertaining to the production and transportation of natural gas,

- o changes in economic or political conditions in the markets in which the company operates,
- o introduction of competing technologies by other companies,
- o operating risks,
- o outstanding indebtedness,
- o changes in interest rates,
- o expansion and other activities of competitors,
- o changes in federal or state environmental laws and the administration of such laws, and
- o the general condition of the economy and its effect on the securities market.

While we believe our forward-looking statements are based upon reasonable assumptions, these are factors that are difficult to predict and that are influenced by economic and other conditions beyond our control. Investors are directed to consider such risks and other uncertainties discussed in documents filed by the company with the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The Exhibits listed below are furnished as part of this Current Report on Form 8-K.

Exhibit No. -----	Description -----
99.1	Press Release, dated October 19, 2004, issued by Natural Gas Services Group, Inc.

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/ Wallace C. Sparkman

Wallace C. Sparkman, President

Dated: October 19, 2004

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release, dated October 19, 2004, issued by Natural Gas Services Group, Inc.

NGSG
NATURAL GAS SERVICES GROUP, INC.

FOR IMMEDIATE RELEASE
October 19, 2004

For More Information, Contact:
Wallace Sparkman, President & CEO
800-580-1828
Jim Drewitz, Investor Relations
972-355-6070

NATURAL GAS SERVICES ENTERS INTO
AGREEMENT TO ACQUIRE SCREW COMPRESSION SYSTEMS, INC.

Earnings Expected to Be Accretive

MIDLAND, TEXAS, October 19, 2004 - Natural Gas Services Group, Inc. (AMEX:NGS), a leading equipment and services provider to the oil and natural gas industry, announces it has entered into an agreement to acquire all of the outstanding stock of Screw Compression Systems, Inc. (SCS) of Tulsa, Oklahoma. SCS is a privately owned manufacturer of natural gas compressors.

Natural Gas Services has signed a contract to acquire SCS, a privately held firm, in a \$15 million stock, note and cash transaction. The transaction is designed to boost the Company's production of small to medium horsepower gas compressors for sale and lease. The addition of SCS is expected to be accretive to current operating results. Transaction terms were not disclosed. The agreement is subject to customary conditions to closing, which is anticipated to occur within the next sixty days.

Paul Hensley, President, founded SCS in 1997. Hensley expects SCS to record approximately \$20 million in revenue for its fiscal year ending December 2004. In the transaction, Natural Gas Services will add the SCS 54,000 sq. ft. manufacturing facility in Tulsa and an additional 65 employees.

SCS will be operated as a wholly owned subsidiary of Natural Gas Services under the same management team with Paul Hensley continuing as President of SCS. Upon closing, Paul Hensley will join the board of directors of Natural Gas Services.

According to Wallace Sparkman, Natural Gas Services' President and CEO, the acquisition provides Natural Gas Services several strategic benefits in product, engineering, manufacturing, sales and market synergy between the two companies.

Expected benefits will include:

- o Increased gas compressor production for lease fleet by 70 or more units per year
- o Increased sales and leasing revenue by an estimated \$20 million per year
- o Through accelerated growth, expanded geographic area for rentals and sale
- o Proprietary products will enhance profit margins for Natural Gas Services rental fleet

Mr. Sparkman said, "The SCS acquisition will support our expansion strategy for production and leasing of NGS' small to medium horsepower compressors. SCS is a well-recognized company with an exceptional engineering and manufacturing staff who will bring significant growth for Natural Gas Services' products and services. Paul and his team have a well-deserved reputation of producing high quality compressors and delivering superior customer service. We are very pleased to have Paul Hensley and his SCS family joining Natural Gas Services. This move will create additional management depth to the combined companies."

About Natural Gas Services Group, Inc.

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 visit the Company's website at www.ngsgi.com.

This release contains forward-looking statements subject to various risks and

uncertainties that could cause the company's future plans, objectives and performance to differ materially from those in the forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "subject to," "anticipate," "estimate," "continue," "future," "appears," "prospective," "designed," or other variations thereof or comparable terminology. Factors that could cause or contribute to such differences could include, but are not limited to, those relating to the company's expansion strategy, changes in demand for the company's products because of changes in oil and natural gas prices, competition among the various providers of compression services and products, changes in safety, health and environmental regulations pertaining to the production and transportation of natural gas, changes in economic or political conditions in the markets in which the company operates, introduction of competing technologies by other companies, operating risks, outstanding indebtedness, changes in interest rates, expansion and other activities of competitors, changes in federal or state environmental laws and the administration of such laws, and the general condition of the economy and its effect on the securities market. While we believe our forward-looking statements are based upon reasonable assumptions, these are factors that are difficult to predict and that are influenced by economic and other conditions beyond our control. Investors are directed to consider such risks and other uncertainties discussed in documents filed by the company with the Securities and Exchange Commission.

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