

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): January 20, 2005

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)
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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

As described in Item 5.02 below, the Board of Directors of Natural Gas Services Group, Inc., or Natural Gas, appointed Stephen C. Taylor as President and Chief Executive Officer of Natural Gas. We currently have a verbal arrangement with Mr. Taylor regarding his employment, but anticipate entering into a written employment agreement with Mr. Taylor containing the following provisions:

- o an annual base salary of \$155,000.00;
- o an annual bonus of up to 45% of Mr. Taylor's annual base salary, the amount of which will be based on parameters to be established by our compensation committee and approved by the Board of Directors and the compensation committee;
- o four weeks of vacation each year;
- o \$30,000.00 allowance to purchase a company vehicle;
- o moving expense reimbursement of up to \$20,000.00 to cover the cost and expenses of packaging and moving Mr. Taylor's

household goods from Houston to Midland, Texas;

- o if Mr. Taylor is unable to sell his personal residence in Houston, Texas, before May 1, 2005, Natural Gas will reimburse Mr. Taylor for the regularly scheduled mortgage payments, including taxes and insurance, made by him through the earlier of the date his personal residence is sold or July 31, 2005, and if on August 1, 2005, Mr. Taylor's residence remains unsold, Natural Gas' obligation to reimburse Mr. Taylor for any future mortgage payments, including taxes and insurance, shall automatically expire;
- o standard medical and other benefits provided to all of our employees.

In addition, we expect to grant to Mr. Taylor a ten-year option to purchase 45,000 shares of our common stock at an exercise price equal to the fair market value of our common stock on the date of the grant.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On January 20, 2005, the Board of Directors of Natural Gas appointed Stephen C. Taylor as President and Chief Executive Officer. Mr. Taylor, age 51, has for the last three years, served as the U.S. General Manager of Trican Production Services in Houston, Texas. Prior to working at Trican, Mr. Taylor was employed for two years as the Senior Vice President and Chief Operating Officer of Enventure Global Technology in Houston, Texas, and prior to his employment with Enventure, Mr. Taylor spent twenty-four years with Halliburton Resources Management, a division of Halliburton Company, in various management positions, including, Vice President of Operations of Halliburton Resources Management's gas compressor division. None of Mr. Taylor's previous employers are current or former parent, subsidiary or affiliate entities of Natural Gas Services Group, Inc.

Mr. Taylor's functions will include overseeing Natural Gas' day-to-day leasing and sales operations, as well as our construction of new compressor units and the planning and execution of our strategic goals and objectives. Mr. Taylor holds a Bachelor of Science degree in Mechanical Engineering from Texas Tech University in Lubbock, Texas, and a Masters in Business Administration from the University of Texas at Austin. Mr. Taylor has management experience in several areas of the oil and gas industry, including, finance, engineering, sales, administration and operations.

Mr. Taylor assumes the President and Chief Executive Officer roles from Wallace C. Sparkman. Mr. Sparkman will continue to serve on the Board of Directors of Natural Gas, and on January 20, 2005, was appointed Chairman of the Board. Prior to the appointment of Mr. Sparkman as Chairman of the Board, Mr. Wallace O. Sellers served as Chairman of the Board of Directors. Mr. Sellers continues to serve on the Board but for health reasons elected to resign his position as Chairman.

On January 24, 2005, Natural Gas issued a press release regarding the appointment of Stephen C. Taylor as President and Chief Executive Officer and the appointment of Mr. Sparkman as Chairman of the Board of Directors. A copy of the press release is filed herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. -----	Description -----
99.1	Press release, dated January 24, 2005, announcing the appointment of Stephen C. Taylor as President and Chief Executive Officer and the appointment of Wallace C. Sparkman as Chairman of the Board of Directors (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/ Wallace C. Sparkman

Wallace C. Sparkman
Chairman of the Board of Directors

Dated: January 26, 2005

FOR IMMEDIATE RELEASE
January 24, 2005

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

NATURAL GAS SERVICES NAMES STEPHEN C. TAYLOR
AS PRESIDENT AND CHIEF EXECUTIVE OFFICER

MIDLAND, TEXAS, January 24, 2005 - Natural Gas Services Group, Inc. (AMEX:NGS), a leading equipment and services provider to the oil and natural gas industry, announces Stephen C. Taylor joined the Company on January 20, 2005 as President and Chief Executive Officer. Mr. Wallace Sparkman, interim President and CEO for the past nine months, was elected Chairman of the Board of Directors and will focus his day-to-day activities on new business.

Mr. Taylor, 51, was most recently the US General Manager of Trican Production Services, Houston, Texas. Previously he was Senior Vice President and Chief Operating Officer of Enventure Global Technology, Houston, Texas and spent 24 years with Halliburton Company in various management positions. Mr. Taylor has a Bachelor of Science in Mechanical Engineering from Texas Tech University and a Master of Business Administration from the University of Texas at Austin, Texas.

"We are very pleased Steve will be President and CEO of Natural Gas. He is a perfect fit for our Company at this stage of our growth," said Mr. Sparkman. "Steve brings a strong record of senior level strategic and tactical planning and execution experience. He has extensive gas compression experience in technical and managerial positions. He understands and values the client relationship and has been innovative in creating recognized field service and value-added services to customers. We are extremely enthusiastic about the experience, focus and commitment he brings to Natural Gas Services Group."

Mr. Taylor said, "I am excited about this unique opportunity. Natural Gas Services is a wonderful company in a dynamic business sector in a time period that couldn't be better. I look forward to overseeing and growing the Company's operations and I am excited about bringing my energy background and management experience to assist NGS in executing its strategic vision and increasing shareholder value."

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," "should," "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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