

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): December 30, 2010

NATURAL GAS SERVICES GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Colorado
(State or Other Jurisdiction
of Incorporation)

1-31398
(Commission File Number)

75-2811855
(IRS Employer Identification No.)

**508 West Wall Street, Suite 550
Midland, TX 79701**
(Address of Principal Executive Offices)

(432) 262-2700
(Registrant's Telephone Number, Including Area Code)

N/A
(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 (see General Instruction A.2. below):

- 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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 30, 2011, we amended and renewed our senior secured revolving credit facility with JPMorgan Chase Bank, N.A. (the "Amended Credit Agreement") which was set to expire on December 31, 2011.

The Amended Credit Agreement increased our aggregate commitment amount from \$20 million to \$30 million, subject to collateral availability. We also have a right to request from the lender, on an uncommitted basis, an increase of up to \$20 million on the aggregate commitment (which could potentially increase the commitment amount to \$50 million.) Finally, the maturity date was extended to December 31, 2014 and the interest rate terms were amended. Material terms of our senior secured revolving credit facility, as amended, include:

Borrowing Base. At any time before the maturity of the facility, we may draw, repay and re-borrow amounts available under the borrowing base up to the maximum aggregate availability discussed above. Generally, the borrowing base equals the sum of (a) 80% of our eligible accounts receivable plus (b) 50% of the book value of our eligible general inventory (not to exceed 50% of the commitment amount at the time) plus (c) 75% of the book value of our eligible equipment inventory. JPMorgan Chase Bank (the "Lender") may adjust the borrowing base components may be adjusted if material deviations in the collateral are discovered in future audits of the collateral.

Interest and Fees. Under the terms of the Amended Credit Agreement, we have the option of selecting the applicable variable rate for each revolving loan, or portion thereof, of either (a) LIBOR multiplied by the Statutory Reserve Rate (as defined in the Credit Agreement) to which the Lender is subject, with respect to this rate, for Eurocurrency funding, plus the Applicable Margin ("LIBOR-based"), or (b) CB Floating Rate, which is the Lender's Prime Rate less the Applicable Margin; provided, however, that no more than three LIBOR-based borrowings under the facility may be outstanding at any one time. For purposes of the LIBOR-based interest rate, the Applicable Margin is 1.50%. For purposes of the CB Floating Rate, the Applicable Margin is 1.25%.

Accrued interest is payable monthly on outstanding principal amounts, provided that accrued interest on LIBOR-based loans is payable at the end of each interest period, but in no event less frequently than quarterly. In addition, fees and expenses are payable in connection with our requests for letters of credit (generally equal to the Applicable Margin for LIBOR-related borrowings multiplied by the face amount of the requested letter of credit) and administrative and legal costs.

Maturity. The maturity date of the secured revolving credit facility under the Amended Credit Agreement is December 31, 2014, at which time all amounts borrowed under the facility will be due and outstanding letters of credit must be cash collateralized. The facility may be terminated early upon our request or the occurrence of an event of default.

Security. The obligations under the Amended Credit Agreement are secured by a first priority lien on all of our inventory and accounts and leases receivable, along with a first priority lien on a variable number of our leased compressor equipment the book value of which must maintain at a minimum a 2.00 to 1.00 commitment coverage ratio (such ratio being equal to (i) the amount of the borrowing base as of such date to (ii) the amount of the commitment as of such date.)

Covenants. The Amended Credit Agreement contains customary representations and warranties, as well as

covenants which, among other things, limit our ability to incur additional indebtedness and liens; enter into transactions with affiliates; make acquisitions; pay dividends; redeem or repurchase capital stock or senior notes; make investments or loans; make negative pledges; consolidate, merge or effect asset sales; or change the nature of our business.

Events of Default and Acceleration. The secured revolving credit facility contains customary events of default for credit facilities of this size and type, and includes, without limitation, payment defaults; defaults in performance of covenants or other agreements contained in the transaction documents; inaccuracies in representations and warranties; certain defaults, termination events or similar events; certain defaults with respect to any other Company indebtedness in excess of \$50,000; certain bankruptcy or insolvency events; the rendering of certain judgments in excess of \$150,000; certain ERISA events; certain change in control events and the defectiveness of any liens under the secured revolving credit facility. Obligations under the secured revolving credit facility may be accelerated upon the occurrence of an event of default.

At December 31, 2011, we owed \$1,016,667.00 to the Lender under the revolving credit facility, as amended.

This description of the JPMorgan Chase Bank revolving credit facility is qualified in its entirety by the First Amendment of Credit Agreement and Promissory Note, as amended, which are attached as exhibits hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment of Credit Agreement between Natural Gas Services Group, Inc. and JPMorgan Chase Bank, N.A., dated December 31, 2011
10.2	Security Agreement between Natural Gas Services Group, Inc. and JPMorgan Chase Bank, N.A., dated December 31, 2011.
10.3	Promissory Note in the aggregate amount of \$30,000,000 issued to JPMorgan Chase Bank, N.A., dated December 31, 2011, in connection with the amendment to the revolving credit line under the First Amendment of Credit Agreement with JPMorgan Chase Bank, N.A.

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.

Dated: January 9, 2012

By: /s/ Stephen C. Taylor

Stephen C. Taylor
President & Chief Executive Officer

AMENDMENT OF CREDIT AGREEMENT

THIS FIRST AMENDMENT OF CREDIT AGREEMENT (hereinafter referred to as the "Amendment"), dated effective as of December 31, 2011, is made and entered into by and between NATURAL GAS SERVICES GROUP, INC., a Colorado corporation (the "Borrower"), and JPMORGAN CHASE BANK, N.A., a national banking association (the "Lender").

RECITALS:

1. The Borrower and the Lender have entered into a Credit Agreement dated as of December 10, 2010 (the "Credit Agreement").
2. In connection with an increase in the Commitment and the extension of the Maturity Date under the Credit Agreement, the Lender and the Borrower desire to modify, amend and supplement the Credit Agreement in certain respects.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Borrower and the Lender do hereby agree as follows:-

Section 1. Amendment of "Applicable Margin" Definition. The definition for "Applicable Margin" in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to hereafter read as follows:

Applicable Margin means, for any day, the applicable rate per annum set forth below:

<u>Applicable Margin for CBFR Borrowings</u>	<u>Applicable Margin for LIBOR Borrowings</u>
-1.50%	+1.25%

Section 2. Amendment of "Maturity Date" Definition. The definition for "Maturity Date" in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to hereafter read as follows:

Maturity Date means the earlier to occur of (a) December 31, 2014, (b) any date that the Commitment is terminated in full by Borrower pursuant to Section 2.01(b) hereof, and (c) any date the Maturity Date is accelerated or the Commitment is terminated by Lender pursuant to Section 7.02 hereof.

Section 3. Amendment of “Commitment” and “Note” Definitions. The definition for “Revolving Loan Commitment” and “Revolving Loan Note” in Section 1.01 of the Credit Agreement are hereby amended and restated in their entirety to hereafter read as follows:

Commitment means the obligation of Lender to make Loans to the Borrower in an aggregate principal amount at any one time outstanding up to (but not exceeding) \$30,000,000.00, as the same may hereafter be reduced by Borrower in accordance with the terms of Section 2.01(b) hereof or increased in accordance with the terms of Section 2.01(c) hereof.

Note means the promissory note dated December 31, 2011, executed by Borrower payable to the order of Lender in the face amount of \$30,000,000.00, and any and all renewals, extensions, modifications, increases, rearrangements and/or replacements thereof.

Section 4. Increase of Accordion Feature Commitment Increase Amount. Section 2.01(c) of the Credit Agreement is hereby amended and restated in its entirety to hereafter be and read as follows:

(c) Borrower shall have the right to request from the Lender one or more increases of up to \$20,000,000.00 in the aggregate in the Commitment, provided that (i) any such request for an increase shall be in a minimum amount of \$5,000,000.00 and Borrower may only make a maximum of four such requests, (ii) the aggregate amount of the Commitment after such increase shall not exceed \$50,000,000.00, and (iii) the Lender shall have thirty (30) days after receipt from Borrower of the applicable Commitment increase request to review and either approve or reject such requested Commitment increase, in the sole discretion of Lender. Borrower acknowledges and agrees that Lender shall have no obligation to approve any such requested increase in the Commitment, but in the event of approval by Lender of any such Commitment increase request, Borrower will thereafter promptly execute and deliver to Lender an amendment of this Agreement in the form reasonably required by Lender to evidence the approved increase in the amount of the Commitment.

Section 5. Modification of Borrowing Base Certificate Reporting Requirements.

(a) Subparagraph(c) of the definition of “Eligible Receivables” definition in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to hereafter be and read as follows:

(c) the Receivable has been created by Borrower or its applicable Domestic Subsidiary in the ordinary course of business from a completed, outright and lawful sale of goods, to which such goods have been shipped and title has passed to the applicable account debtor on an absolute sales basis, or from the rendering of services by or on behalf of Borrower or such Domestic Subsidiary and is deemed “earned” under the applicable service contract or other agreement between the applicable account debtor and Borrower or such Domestic Subsidiary; provided, however, that notwithstanding the foregoing and except as expressly excluded in the immediately following proviso, Receivables arising under leases of rental Inventory owned by Borrower or its applicable Domestic Subsidiary may be billed for up to thirty (30) days in advance in accordance with the terms of the applicable rental Inventory lease; provided further, however, that one-half (1/2) of the difference between (i) the aggregate amount of all Receivables shown on the most recent listing and aging of Receivables furnished to Lender and (ii) the actual amount of such Receivables permitted to be

included as an asset on the consolidated balance sheet of the Borrower in accordance with GAAP (as determined by Lender based upon Lender's review of the most recent Annual Audited Financial Statements or Quarterly Financial Statements of Borrower, as applicable, furnished by Borrower to Lender) shall be expressly excluded from Eligible Receivables.

(b) Section 3.01(a)(i) of the Credit Agreement is hereby amended and restated in its entirety to hereafter be and read as follows:

(a) (i) with respect to any Loan, Lender shall have received by no later than 11:00 a.m. on the date of such requested Loan, telephonic notice from Borrower of the proposed date and amount of such Loan, and by no later than 1:00 p.m. on such date, a Request for Loan signed by an officer of Borrower, and (ii) with respect to any Letter of Credit, Lender shall have received by no later than 11:00 a.m. five (5) Business Days prior to the date of issuance of such requested Letter of Credit, a fully completed and executed Application and all other applicable Letter of Credit Documents required by Lender from Borrower.

(c) Section 5.02(d) of the Credit Agreement is hereby amended and restated in its entirety to hereafter be and read as follows:

(d) within 35 days after the end of each fiscal quarter of Borrower, (i) a Borrowing Base Certificate as of the last day of such fiscal quarter, together with such supporting information as Lender may reasonably request, certified and signed by an appropriate officer or other responsible party acceptable to Lender on behalf of Borrower, (ii) a listing and aging of the Receivables of Borrower and each of its Domestic Subsidiaries as of the end of such fiscal quarter, prepared in reasonable detail and containing such information as Lender may request (including Borrower's reasonable calculation of the difference between (A) the aggregate amount of all Receivables shown on such listing and aging of Receivables and (B) the actual amount of such Receivables permitted to be included as an asset on the consolidated balance sheet of the Borrower in accordance with GAAP), (iii) a listing and aging of the accounts payable of Borrower and each of its Domestic Subsidiaries as of the end of such fiscal quarter, prepared in reasonable detail and containing such information as Lender may request, and (iv) a listing of the Equipment Inventory and a summary of the General Inventory of Borrower and each of its Domestic Subsidiaries as of the end of such fiscal quarter, prepared in reasonable detail and containing such information as Lender may request, including without limitation, updated Book Value amounts for the applicable Equipment Inventory and General Inventory.

Section 6. Replacement of Equipment Inventory Listing Exhibit. The listing of Equipment Inventory attached as Exhibit E to the Credit Agreement is hereby deleted in its entirety, and such Exhibit E is hereby replaced in its entirety by the form of Exhibit E attached hereto and hereby made a part hereof for all purposes.

Section 7. Designated Equipment Inventory Collateral. As a result of the increase of the Commitment evidenced hereby, and in order to cause the Borrower to hereafter be in compliance with the Commitment Coverage Ratio requirement of Section 5.11(a) of the Credit Agreement, the Borrower hereby designates that all of the specific Equipment Inventory of the Borrower described in Exhibit E attached hereto shall be deemed to be the Equipment Inventory which serves as Collateral for the Obligations. The Borrower hereby represents and warrants to the Lender that the specific Equipment Inventory described in Exhibit E attached hereto is the newest and most recently acquired

rental compressor Inventory now owned and held by the Borrower. The Borrower hereby agrees that contemporaneously herewith, the Borrower shall execute and deliver to the Lender in Proper Form the requisite amendments of the applicable Security Documents to evidence the designation of all Equipment Inventory described in Exhibit E attached hereto as Collateral for the Obligations.

Section 8. Representations True; No Default. The Borrower represents and warrants that the representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects on and as of the date hereof as though made on and as of such date. The Borrower hereby certifies that except as expressly described and set forth above in this Amendment, no event has occurred and is continuing which constitutes a Default or an Event of Default under the Credit Agreement or any of the other Credit Documents. Additionally, the Borrower hereby represents and warrants to the Lender that that the resolutions of the Board of Directors of the Borrower which are attached as an Exhibit to the Secretary's Certificate of even effective date with the Credit Agreement and executed and delivered to Lender by the Secretary of Borrower in connection with the Credit Agreement (i) remain in full force and effect as of the effective date hereof, (ii) have not been modified, amended, superseded or revoked, and (iii) authorize the execution of this Amendment and all other Credit Documents to be executed contemporaneously herewith by the Borrower without the requirement of any further consents, resolutions or authorizations of the Board of Directors of the Borrower.

Section 9. Conditions Precedent to Effectiveness of this Amendment. Notwithstanding any provisions to the contrary set forth in this Amendment, the effectiveness of this Amendment, including without limitation, the increase of the Revolving Loan Commitment, is expressly conditioned upon the satisfaction of each of the following:

(a) the renewal Note, executed by Borrower, payable to the order of Lender in the original principal amount of \$30,000,000.00, and the amendments of the applicable Security Documents to include and cover the additionally designated Equipment Inventory described in Exhibit A attached hereto, shall have been furnished to Lender in Proper Form, and all Credit Documents previously executed and delivered to Lender shall remain valid, enforceable and in full force and effect;

(b) no Default or Event of Default shall have occurred and be continuing as of the effective date of this Amendment;

(c) all of the representations and warranties contained in the Credit Agreement and in all other Credit Documents shall be true and correct in all material respects on and as of the date of this Amendment as though made on and as of such date;

(d) since the date of the most recently delivered financial statements pursuant to the Credit Agreement, no Material Adverse Effect shall have occurred, in the reasonable opinion of Lender;

(e) all fees and expenses owed to Lender under any of the Credit Documents as of the effective date of this Amendment shall have been paid in full;

(f) all other due diligence items required by Lender shall have been received and reviewed by Lender and otherwise be satisfactory in all respects to Lender; and

(g) all other conditions precedent deemed appropriate by Lender shall have been satisfied.

Section 10. Ratification. Except as expressly amended hereby, the Credit Agreement and the other Credit Documents shall remain in full force and effect. The Credit Agreement, as amended, and all rights and powers created thereby or thereunder and under the other Credit Documents are in all respects ratified and confirmed and remain in full force and effect. The Borrower (a) hereby confirm that the Security Documents previously executed and delivered by the Borrower apply and shall continue to apply to all indebtedness (including without limitation, the indebtedness now or hereafter evidenced by the Note of even date herewith) evidenced by or arising pursuant to the Credit Agreement, as amended hereby or any other Credit Documents, and (b) acknowledge that without this ratification and confirmation, the Lender would not agree to the extension of the Maturity Date, the increase of the Commitment and the modifications of the Credit Agreement which are evidenced by this Amendment.

Section 11. Definitions and References. Except as expressly modified by this Amendment, capitalized terms which are not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement. The term "Agreement" as used in the Credit Agreement and the term "Credit Agreement" as used in the other Credit Documents or any other instrument, document or writing furnished to the Lender by the Borrower shall mean the Credit Agreement as hereby amended.

Section 12. Expenses; Additional Information. The Borrower shall pay to the Lender all expenses incurred in connection with the preparation, negotiation and execution of this Amendment. The Borrower shall furnish to the Lender all such other documents, consents and information relating to the Borrower as the Lender may reasonably require.

Section 13. Miscellaneous. This Amendment (a) shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors, assigns, receivers and trustees (provided, however, that the Borrower shall not assign its rights hereunder without the prior written consent of the Lender); (b) may be modified or amended only by a writing signed by each party; (c) **shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America**; (d) may be executed in several counterparts, and by the parties hereto on separate counterparts, and each counterpart, when so executed and delivered, shall constitute but one and the same agreement; and (e) together with the Credit Documents, embodies the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior agreements, consents and understandings relating to such subject matter. The headings herein shall be accorded no significance in interpreting this Amendment.

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Amendment to be signed by their respective duly authorized officers, effective as of the date set forth above.

THE CREDIT AGREEMENT, AS AMENDED HEREBY, TOGETHER ALL OTHER CREDIT DOCUMENTS CONSTITUTE A WRITTEN LOAN AGREEMENT AND REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES TO IT 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.

NATURAL GAS SERVICES GROUP, INC.,
a Colorado Corporation

By: /s/ Stephen C. Taylor
Stephen C. Taylor, Chief Executive Officer
"Borrower"

JPMORGAN CHASE BANK, N.A.,

By: /s/ Brenda A. Pollard
Name: Brenda A. Pollard
Title: Vice President
"Lender"

FIRST AMENDMENT OF SECURITY AGREEMENT

This FIRST AMENDMENT OF SECURITY AGREEMENT (Personal Property-Borrower) (this "Amendment") is dated as of December 31, 2011, and is executed and delivered by and between NATURAL GAS SERVICES GROUP, INC., a Colorado corporation (the "Debtor"), and JPMORGAN CHASE BANK, N.A., a national banking association (the "Secured Party").

W I T N E S S E T H:

RECITALS:

1. Debtor and Secured Party have entered into that certain Credit Agreement dated December 10, 2010, as amended pursuant to that certain First Amendment to Credit Agreement of even effective date herewith, by and between Borrower and Secured Party (said Credit Agreement, as previously amended and as the same may hereafter be further amended, modified, restated, and/or supplemented from time to time in accordance with its terms, shall hereinafter be collectively referred to as the "Credit Agreement"). Capitalized terms that are used herein without definition and that are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

2. In connection with the Credit Agreement, Debtor and Secured Party have previously executed a Security Agreement (Borrower) dated December 10, 2010 (the "Security Agreement") covering all Collateral of Debtor more particularly described therein, including without limitation, the specific Equipment Inventory of Debtor identified in Exhibit D attached to the Security Agreement, together with any and all accessions thereto and any and all leases or other Chattel Paper covering any portion of such specific Equipment Inventory.

3. In connection with an increase in the Commitment and the extension of the Maturity Date under the Credit Agreement, Debtor is now required to amend the Security Agreement in order to evidence the inclusion of additional Equipment Inventory designated by Debtor as additional Collateral for the Obligations.

AGREEMENTS:

Now, in consideration of the financial accommodations extended and to be extended to the Borrower pursuant to the above-described increase in the Commitment and the extension of the Maturity Date under the Credit Agreement, Debtor and Secured Party do hereby amend and modify the Security Agreement upon and subject to the following terms:

Section 1. Replacement of Equipment Inventory Listing Exhibit. The listing of Equipment Inventory attached as Exhibit D to the Security Agreement is hereby deleted in its entirety, and such Exhibit D is hereby replaced in its entirety by the form of Exhibit D attached hereto and hereby made a part hereof for all purposes.

Section 2. Pledge of Newly Designated Equipment Inventory. In order to evidence the pledge to Secured Party of a first priority Lien against the additional Equipment Inventory identified and listed on Exhibit D attached to this Amendment which was not originally described in the original Exhibit D attached to the Security Agreement, Debtor and Secured Party hereby agree that all Equipment Inventory described in Exhibit D attached hereto is hereby deemed to be (i) included as Equipment Inventory, as referred to and described in the Security Agreement, and (ii) Collateral securing all Obligations.

Section 2. Confirmation of Security Interest and Lien. Without limitation of the foregoing, Debtor

hereby assigns and transfers to Secured Party, and hereby grants to Secured Party, a security interest and Lien in, to and against all of the above-described additional Equipment Inventory which is now hereby deemed included with the Collateral covered by the Security Agreement.

Section 3. No Financing Statements, Security Agreements. No security agreement describing all or any portion of the above-described additional Equipment Inventory has been filed or is of record in any jurisdiction except for financing statements or security agreements naming Secured Party as the secured party, and the Lien against such additional Equipment Inventory which is evidenced by the Security Agreement, as hereby amended, is first and superior in priority and is not subject to the Lien of any other person or entity.

Section 4. Limitations. The amendments set forth herein are limited precisely as written and shall not be deemed to (a) be a consent to, or waiver or modification of, any other term or condition of the Security Agreement or any of the other Credit Documents. Except as expressly modified hereby or by express written amendments thereof, the terms and provisions of the Security Agreement and any other Credit Documents are and shall remain in full force and effect. In the event of a conflict between this Amendment and the Security Agreement, the terms of this Amendment shall be controlling.

Section 5. Descriptive Headings, etc. The descriptive headings of the several Sections of this Amendment are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts and all of such counterparts shall together constitute one and the same instrument. Complete sets of counterparts shall be lodged with the Debtor and the Secured Party.

Section 7. References to Agreement. As used in the Security Agreement, on and subsequent to the effective date hereof, the term "Agreement" shall mean the Security Agreement, as amended by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective officers thereunto as of the date first set forth above.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective officers thereunto as of the date first set forth above.

“Debtor”

NATURAL GAS SERVICES GROUP, INC.,
a Colorado Corporation

By: /s/ Stephen C. Taylor
Stephen C. Taylor, Chief Executive Officer

“Secured Party”

JPMORGAN CHASE BANK, N.A.,
a national banking association

By: /s/ Brenda A. Pollard
Name: Brenda A. Pollard
Title: Vice President

PROMISSORY NOTE

Austin, Texas

\$30,000,000.00

December 31, 2011

FOR VALUE RECEIVED, NATURAL GAS SERVICES GROUP, INC., a Colorado corporation, promises to pay to the order of JPMORGAN CHASE BANK, N.A., a national banking association, at its banking house in the City of Austin, Travis County, Texas (or such other place as the holder hereof may hereafter designate in writing), in immediately available funds and in lawful money of the United States of America, the unpaid balance of all principal advanced against this note in an amount up to THIRTY MILLION DOLLARS (\$30,000,000.00), together with interest on the unpaid principal balance of this note from time to time outstanding at the Stated Rate, subject to Section 3(b); provided, that for the full term of this note the interest rate produced by the aggregate of all sums paid or agreed to be paid to the holder of this note for the use, forbearance or detention of the debt evidenced hereby (including, but not limited to, all interest on this note at the Stated Rate and the Default Rate) shall not exceed the Ceiling Rate.

1. Definitions. Unless otherwise defined herein, capitalized terms used in this note shall have the same meaning in this note as in the Credit Agreement (hereafter defined). As used in this note, the following terms shall have the respective meanings indicated:

(a) "Credit Agreement" means the Credit Agreement dated December 10, 2010, between Maker and Payee, as amended pursuant to that certain First Amendment to Credit Agreement of even effective date herewith, between Maker and Payee, and as the same may be further amended, supplemented, restated or replaced from time to time.

(b) "Maker" means NATURAL GAS SERVICES GROUP, INC., a Colorado corporation.

(c) "Maturity Date" means December 31, 2014, or any earlier date that the maturity date of this note is hereafter accelerated pursuant to the provisions of this note or the Credit Agreement.

(d) "Payee" means JPMORGAN CHASE BANK, N.A., a national banking association, and any other holder or holders of this note from time to time and, upon acquisition of this note by any holder or holders other than the named payee, effective as of the time of such acquisition, the term "Payee" shall mean all of the then holders of this note, to the exclusion of all prior holders not then retaining or reserving an interest in this note, to the end that all the rights, powers, remedies, liens, benefits and privileges accruing and to accrue hereunder to Payee, as such term is used herein, shall inure to the benefit of and be owned and held by the holder or holders of this note from time to time, whether such holder acquires this note through succession to or assignment from a prior Payee.

(e) "Stated Rate" means, for any day, a rate per annum equal to (i) the CB Floating Rate minus the Applicable Margin for all CBFR Borrowings, if any, outstanding on such date, and (ii) the applicable Adjusted LIBOR Rate plus the Applicable Margin for all LIBOR Borrowings, if any, outstanding on such date; provided, that if on any day the Stated Rate for all or any portion of the principal balance of this note for that day would exceed the Ceiling Rate for that day, the Stated Rate for such applicable portion of the principal balance of this note shall be fixed at the Ceiling Rate on that day and on each day thereafter until the total amount of interest accrued at the Stated Rate (as so fixed) on such applicable portion of the unpaid principal balance of this note equals the total amount of interest which would have accrued if there had been no Ceiling Rate. If this note matures (or is prepaid) before such equality is achieved, then, in addition to

the unpaid principal and accrued interest then owing pursuant to the other provisions of this note, Maker promises to pay on demand to the order of the holder of this note interest in an amount equal to the excess (if any) of (a) the lesser of (i) the total interest which would have accrued on this note if the Stated Rate had been defined as equal to the Ceiling Rate from time to time in effect and (ii) the total interest which would have accrued on this note if the Stated Rate were not so prohibited from exceeding the Ceiling Rate, over (b) the total interest actually accrued hereon to such maturity (or prepayment) date. Without notice to Maker or any other person or entity, the Stated Rate shall automatically fluctuate upward and downward in accordance with the provisions of this Subparagraph and the Credit Agreement.

2. Credit Agreement; Advances; Security. This note has been issued pursuant to the terms of the Credit Agreement, and is the Note referred to in the Credit Agreement. Advances against this note by Payee shall be governed by the terms of the Credit Agreement, and Maker may borrow, repay and reborrow hereunder. Except as set forth in the Credit Agreement, there is no limitation on the number of advances made hereunder so long as the total unpaid principal amount at any time outstanding hereunder does not exceed the lesser of (a) the Borrowing Base or (b) the Commitment. Payee is entitled to the benefits of and security provided for in the Credit Documents. Such security includes, among other security, the Security Documents covering and affecting the applicable Collateral more fully described therein. The unpaid principal balance of this note at any time shall be the total amount lent or advanced against this note less the amount of all payments or permitted prepayments made on this note and by or for the account of Maker. All loans and advances and all payments and permitted prepayments made hereon may be endorsed by the holder of this note on a schedule which may be attached hereto (and thereby made a part hereof for all purposes) or otherwise recorded in the holder's records; provided, that any failure to make notation of (a) any advance shall not cancel, limit or otherwise affect Maker's obligations or any holder's rights with respect to that advance, or (b) any payment or permitted prepayment of principal shall not cancel, limit or otherwise affect Maker's entitlement to credit for that payment as of the date received by the holder. Maker and Payee agree pursuant to Chapter 346 ("Chapter 346") of the Texas Finance Code, that Chapter 346 (which relates to open-end line of credit revolving loan accounts) shall not apply to this note or any obligation hereunder and that neither this note nor any obligation hereunder shall be governed by Chapter 346 or subject to its provisions in any manner whatsoever.

3. Computation of Interest.

(a) Interest at the Stated Rate shall be computed for the actual number of days elapsed in a year consisting of 360 days, unless the Ceiling Rate would thereby be exceeded, in which event, to the extent necessary to avoid exceeding the Ceiling Rate, interest at the Stated Rate shall be computed on the basis of the actual number of days elapsed in the applicable calendar year in which accrued.

(b) All principal outstanding after the occurrence of an Event of Default which has not been cured or waived in writing by Payee shall bear interest at the Default Rate.

4. Mandatory Payments of Principal and Interest.

(a) Accrued and unpaid interest and the principal of this note shall be due and payable as and when required under Sections 2.02(a) and 2.02(b) of the Credit Agreement.

(b) All regularly scheduled payments on this note shall be applied first to accrued interest, the balance to principal.

(c) If any payment provided for in this note shall become due on a day other than a Business

Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest on this note.

5. Prepayment. Subject to the applicable terms of the Credit Agreement, Maker may prepay this note, in whole or in part, at any time without penalty or fee. All prepayments hereon shall be applied first to accrued interest and the balance to principal.

6. Usury Not Intended; Savings Provisions. Notwithstanding any provision to the contrary contained in any Credit Document, it is expressly provided that in no case or event shall the aggregate of any amounts accrued or paid pursuant to the Credit Documents which under applicable laws are or may be deemed to constitute interest ever exceed the maximum nonusurious interest rate permitted by applicable Texas or federal laws, whichever permit the higher rate. In this connection, Maker and Payee stipulate and agree that it is their common and overriding intent to contract in strict compliance with applicable usury laws. In furtherance thereof, none of the terms of the Credit Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the maximum rate permitted by applicable laws. Maker shall never be liable for interest in excess of the maximum rate permitted by applicable laws. If, for any reason whatever, such interest paid or received during the full term of the applicable Indebtedness produces a rate which exceeds the maximum rate permitted by applicable laws, Payee shall credit against the principal of such Indebtedness (or, if such Indebtedness shall have been paid in full, shall refund to the payor of such interest) such portion of said interest as shall be necessary to cause the interest paid to produce a rate equal to the maximum rate permitted by applicable laws. All sums paid or agreed to be paid to Payee for the use, forbearance or detention of money shall, to the extent required to avoid or minimize usury and to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the applicable Indebtedness so that the interest rate does not exceed the Ceiling Rate. The provisions of this Paragraph shall control all agreements, whether now or hereafter existing and whether written or oral, between Maker and Payee.

7. Default. If any Event of Default exists under the Credit Agreement, then that shall automatically constitute default under this note, and unless Payee declares the default fully cured to Payee's satisfaction, then the obligation (if any) of Payee to make further advances against this note shall cease and terminate and the owner or holder hereof may, at its, his or her option, exercise any or all rights, powers and remedies afforded under any Credit Document and by law, including the right to declare the unpaid balance of principal and accrued interest on this note at once due and payable.

8. No Waiver by Payee. No delay or omission of Payee or any other holder hereof to exercise any power, right or remedy accruing to Payee or any other holder hereof shall impair any such power, right or remedy or shall be construed to be a waiver of the right to exercise any such power, right or remedy. Any right Payee may have to accelerate this note for any late payment or Maker's failure to timely fulfill its other obligations hereunder or under the other Credit Documents shall not be waived or deemed waived by Payee by Payee's having accepted a late payment or late payments in the past or Payee otherwise not accelerating this note or exercising other remedies for Maker's failure to timely perform its obligations hereunder or under the other Credit Documents. Payee shall not be obligated or be deemed obligated to notify Maker that it is requiring Maker to strictly comply with the terms and provisions of this note and the other Credit Documents before accelerating this note and exercising its other remedies hereunder or under the other Credit Documents because of Maker's failure to timely perform its obligations under this note and the other Credit Documents.

9. Costs and Attorneys' Fees. The non-prevailing party under any lawsuit or in any probate, reorganization, bankruptcy or other proceeding involving any alleged default or attempt to collect, enforce or defend this note or any of the Credit Documents agrees to pay to the prevailing party (in addition to

principal, interest and/or damages, as applicable), all reasonable direct costs and expenses incurred by such prevailing party in any such collection action, suit or proceeding, including reasonable attorneys' fees. Any amount to be paid under this Paragraph by any non-prevailing party shall be a demand obligation owing by such non-prevailing party to the prevailing party and shall bear interest from the date of expenditure until paid at the Default Rate.

10. Waivers by Maker and Others. Except to the extent, if any, that notice of default is expressly required herein or in any of the other Credit Documents or is required by applicable state or federal law, Maker and any and all co-makers, endorsers, guarantors and sureties severally waive notice (including, but not limited to, notice of intent to accelerate and notice of acceleration, notice of protest and notice of dishonor), demand, presentment for payment, protest, diligence in collecting and the filing of suit for the purpose of fixing liability and consent that the time of payment hereof may be extended and re-extended from time to time without notice to any of them. Each such person agrees that his, her or its liability on or with respect to this note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or to maintain perfection of any lien against or security interest in any such security or the partial or complete unenforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

11. Paragraph Headings. Paragraph headings appearing in this note are for convenient reference only and shall not be used to interpret or limit the meaning of any provision of this note.

12. Venue; Choice of Law. This note is performable in Travis County, Texas, which shall be a proper place of venue for suit on or in respect of this note. Maker hereby irrevocably agrees that any legal proceeding in respect of this note shall be brought in the district courts of Travis County, Texas, or in the United States District Court for the Western District of Texas, Austin Division (collectively, the "Specified Courts"). Maker hereby irrevocably submits to the nonexclusive jurisdiction of the state and federal courts of the State of Texas. Maker hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this note or any of the Credit Documents brought in any Specified Court, and hereby further irrevocably waives any claims that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Maker further irrevocably consents to the service of process out of any of the Specified Courts in any such suit, action or proceeding by the mailing of copies thereof by certified mail, return receipt requested, postage prepaid, to Maker. Nothing herein shall affect the right of Payee to commence legal proceedings or otherwise proceed against Maker in any jurisdiction or to serve process in any manner permitted by applicable law. Maker agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.**

13. Successors and Assigns. This note and all the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the respective legal representatives, heirs, successors and assigns of Maker and Payee.

14. Records of Payments. The records of Payee shall be prima facie evidence of the amounts owing on this note, unless such records are timely disputed and conclusively proven by Maker to be inaccurate.

15. Severability. If any provision of this note is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this note shall

not be affected thereby, and this note shall be liberally construed so as to carry out the intent of the parties to it. Each waiver in this note is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Payee for having bargained for and obtained it.

16. Sale and Assignment. Payee reserves the right, exercisable in its sole discretion and without notice to Maker or any other person, to sell participations in or assign its rights and obligations in this note, any loan evidenced by this note or any of the other Credit Documents.

17. Business Loans. Maker warrants and represents to Payee and all other holders of this note that all loans evidenced by this note are and will be for business, commercial, investment or other similar purpose and not primarily for personal, family, household or agricultural use, as such terms are used in the Texas Finance Code, as amended.

18. Entire Agreement. This note and the other Credit Documents embody the entire agreement and understanding between Payee and Maker and other parties with respect to their subject matter and supersede all prior agreements, consents and understandings relating to such subject matter. Maker acknowledges and agrees that there is no oral agreement between Maker and Payee which has not been incorporated in and superceded by this note and the other Credit Documents.

19. Renewal of Existing Note. This note is given in renewal, extension, rearrangement and increase, and not in extinguishment, of the unpaid principal balance of a certain promissory note (the "Renewed Note") in the original principal amount of \$20,000,000.00 dated December 10, 2010, executed by Maker, payable to the order of Payee. All liens, security interests and assignments securing the Renewed Note are hereby ratified, confirmed, renewed, extended, rearranged or brought forward as security for this note, in addition to and cumulative of all other security now or hereafter securing this note.

NOTICE PURSUANT TO TEX. BUS. & COMM. CODE §26.02

THIS NOTE AND ALL OTHER CREDIT DOCUMENTS EXECUTED BY ANY OF THE PARTIES SUBSTANTIALLY CONCURRENTLY HERewith TOGETHER CONSTITUTE A WRITTEN CREDIT AGREEMENT WHICH 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.

NATURAL GAS SERVICES GROUP, INC.,
a Colorado Corporation

By: /s/ Stephen C. Taylor
Stephen C. Taylor, Chief Executive Officer