We obtain an error term estimate for the number $p(T)$ of closed geodesics of the length at most T on negatively curved compact surface: $p(T) = li(e^hT) + O(e^cT)$ as T goes to infinity, where $li(x) = \int_2^\infty 1/log(x)dx$, and h is the topological entropy of the geodesic flow, $0 < c < h$. For surfaces of constant negative curvature this result was obtained by Huber for both main and error terms in the asymptotic formula. Later Margulis obtained an asymptotic formula without error term in the case of compact manifolds of variable negative curvature. Following the work of Pollicott and Sharp, we first introduce dynamical coding. Then using an important estimate for the Ruelle transfer operator, established by Dolgopyat, we derive properties of the analytic domain of certain zeta function which at the end lead to the error term estimate.