

March 17, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2311

Page 1, line 1, after "reenact" insert "subsection 11 of section 35-24-01 and"

Page 1, line 1, replace "35-24-02" with "35-24-03"

Page 1, replace lines 4 through 21 with:

"SECTION 1. AMENDMENT. Subsection 11 of section 35-24-01 of the North Dakota Century Code is amended and reenacted as follows:

11. "Pipeline" means any pipeline and related facilities laid and designed as a means of transporting ~~natural gas, oil, or gasoline, or their components or derivatives,~~ liquid or gaseous substances of any kind and the right of way ~~therefor~~where the pipeline is situated.

SECTION 2. AMENDMENT. Section 35-24-03 of the North Dakota Century Code is amended and reenacted as follows:

35-24-03. Property subject to lien.

1. Liens created under section 35-24-02 extend to:

- ~~1.a.~~ The whole of the leasehold for oil or gas purposes to which the materials or services were furnished, or for which the labor was performed, and the appurtenances thereunto belonging; and
- ~~2.b.~~ All materials and fixtures owned by the owner or owners of such leasehold and used or employed, or furnished to be used or employed in the drilling or operating of any oil or gas well located thereon; and
- ~~3.c.~~ All oil or gas wells located on such leasehold, and the oil or gas produced therefrom, and the proceeds thereof inuring to the working interest therein as such working interest existed on the date such labor was first performed or such material or services were first furnished; or
- ~~4.d.~~ The whole of the pipeline to which the materials or services were furnished, or for which labor was performed, and all buildings and appurtenances thereunto belonging, including, without limiting the generality of the foregoing, gates, valves, pumps, pump stations, and booster stations, and upon all materials and fixtures owned by the owner of such pipeline and used or employed or furnished to be used or employed in the construction thereof.

2. Notwithstanding any provision in this chapter, liens created under section 35-24-02 may not extend to a freehold estate unless that freehold estate is owned by the owner of the leasehold for oil and gas purposes or a pipeline for which the labor, materials, or services were supplied."

Page 2, line 19, remove "a lien created under this section does"

Page 2, remove lines 20 and 21

Page 2, line 22, replace "to an oil and gas lease" with "any person that performs labor or furnishes materials or services under chapter 35-24 is prohibited from claiming or maintaining a lien under this chapter"

Renumber accordingly