

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2311

In lieu of the amendments adopted by the House as printed on pages 1357 and 1358 of the House Journal, Engrossed Senate Bill No. 2311 is amended as follows:

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, 35-24-11,"

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.

**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 any leasehold for oil or gas purposes or any pipeline for which the labor, materials, or services were supplied.

**SECTION 3. AMENDMENT.** Section 35-24-11 of the North Dakota Century Code is amended and reenacted as follows:

**35-24-11. Contents and filing of statement of lien.**

1. Every person claiming a lien under this chapter shall file with the recorder of the county in which the leasehold or pipeline, or some part thereof, is situated, a statement verified by affidavit setting forth the amount claimed and the items thereof, the dates on which labor was performed or material or services furnished, the name of the owner of the leasehold or pipeline, if known, the name of the claimant and the claimant's mailing address, a description of the leasehold or pipeline, and if the claimant is a claimant under section 35-24-04, the name of the person for whom the labor was immediately performed or the material or services were immediately furnished.
2. The statement of the lien must contain the following statement in at least sixteen-point typeface unless the owner of the freehold estate also is the owner of the leasehold for oil or gas purposes or the pipeline for which the labor, materials, or services were supplied:

The lien in this chapter attaches only to the leasehold for oil or gas purposes or any pipeline for which labor, materials, or services were supplied. This lien does not attach to or encumber the real property of a freehold estate.

Failure to include the statement mentioned in this subsection in the statement of the lien does not invalidate a lien on the leasehold or pipeline.
3. The statement of lien must be filed within six months after the date on which the claimant's labor was last performed or material or services were last furnished under a single contract as provided for in section 35-24-10."

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