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Chapter 16: Litigating Procurement Agreement Disputes: Mechanics’ Liens and Master Service Agreements

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It is becoming common for contractors to underbid a project and then seek an eleventh-hour change order or walk off the job on pipeline companies, which often have tight deadlines for in-line dates to meet preexisting shipping commitments. When there is such a last-minute walk-off, pipeline companies understandably refuse to pay the contractor. In turn, those contractors are not paying their subcontractors, which are then placing liens on wells, the leasehold, and the surface owner's estate, regardless of whether the surface owner owns any interest in the minerals. This chapter focuses on the best ways to make sure your MCSA encourages contractors finish work on budget and on time and protect you and your landowners to minimize the risk of a lien.