

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | | |
|--|--|---|--|
| 1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. Jicarilla Contract 393 | |
| 2. Name of Operator Shoreline Oil & Gas Company | | 6. If Indian, Allottee or Tribe Name | |
| 3a. Address PO Box 3470, Farmington, NM 87499-3470 | | 7. If Unit or CA/Agreement, Name and/or No. | |
| 3b. Phone No. (include area code) 505 327 6908 | | 8. Well Name and No. Aache Flats #7 | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL & 1450' FWL sec. 28, T. 23N, R. 4W | | 9. API Well No. 30-043-20229 | |
| | | 10. Field and Pool, or Exploratory Area Ballard Picture Cliff | |
| | | 11. County or Parish, State Sandoval County, New Mexico | |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input checked="" type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shoreline has set a trailer mounted compressor on this well and begun to clean the formation of water which in turn should bring the production back on this well. We hope to increase the production as the water slows down.

If you have questions please call Teresa McCown at (505) 327-6908 or by email at smm@ddbroadband.net

RCVD NOV 19 '07
OIL CONS. DIV.
DIST. 3

| | | |
|---|--|---------------------------|
| 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Teresa D. McCown | | Title President |
| Signature | | Date 11/09/2007 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------|------------|
| Approved by _____ | Title _____ | Date _____ |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office _____ | |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

ACCEPTED FOR RECORD

NMOC

FARMINGTON
BY ME

NOV 16 2007