

Action No: 1001-02216

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF
DARIAN RESOURCES LTD.**

**AND IN THE MATTER OF
BOWVIEW PETROLEUM INC.**

**AND IN THE MATTER OF SECTION 193 OF
THE ALBERTA *BUSINESS CORPORATIONS ACT*,
R.S.A. 2000, c. B-9**

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING DARIAN
RESOURCES LTD., BOWVIEW PETROLEUM INC., BIDCO, AND HOLDERS OF
COMMON SHARES OF DARIAN RESOURCES LTD.**

**TENTH REPORT OF THE MONITOR
HARDIE & KELLY INC.
SEPTEMBER 14, 2010**

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INTRODUCTION

1. On February 12, 2010, Darian Resources Ltd. (“Darian”) and Bowview Petroleum Inc. (“Bowview”) made application for and obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended, (the “CCAA”) pursuant to an order (the “Initial Order”) of the Court of Queen’s Bench of Alberta (the “Court”).
2. Pursuant to the Initial Order, Hardie & Kelly Inc. was appointed as monitor (the “Monitor”) of Darian and Bowview (collectively referred to as the “Companies”).
3. On July 2, 2010, this Honourable Court granted the Final Sanction Order in respect of a *Plan of Compromise and Arrangement* (the “Plan”) attached as Exhibit “A” to the June 2, 2010 Affidavit of Grant Aulden Bartlett.
4. On July 5, 2010, the Monitor executed the Monitor’s Certificate confirming that the Plan Implementation Date had occurred.
5. On August 16, 2010, the Monitor prepared a report (the “Ninth Report”) in advance of the August 17, 2010 Court application wherein the Monitor provided this Honourable Court with:
 - a. An update as to the status of the Affected Creditors’ Pool and the Disputed Claims Reserve; and
 - b. Additional background with respect to the *Notices of Motion* filed by each of Mustang Well Services Ltd. (“Mustang”) and CFR Chemicals Inc. (“CFR”) in respect of claims filed by Mustang and CFR after the April 16, 2010 Claims Bar Date (as defined by the March 17, 2010 Claims Process Order granted by the Court).
6. The purpose of this tenth report (the “Tenth Report”) is to provide the Court with:
 - a. A further update as to the status of the Affected Creditors’ Pool and the Disputed Claims Reserve in advance of the September 15, 2010 application to address the late claims of Mustang, CFR and Compton Petroleum Corporation (“Compton”); and
 - b. Additional background information with respect to the late claim filed by Compton (the “Compton Late Claim”).

AFFECTED CREDITORS' POOL

7. As of the date of this Tenth Report, there are only three creditors who have yet to cash their distribution cheques, issued from the Affected Creditors' Pool by the Monitor, totaling \$26,591.62. The Monitor will continue to review the Affected Creditors' Pool bank account to ensure these cheques are ultimately negotiated.

DISPUTED CLAIMS RESERVE

8. The Disputed Claims Reserve was initially established in the amount of \$1,255,154.87 on account of seven disputed claims totalling \$1,149,441.38, and \$105,713.49 in respect of the Compton Late Claim. The Compton Late Claim is discussed further in the section below.
9. The seven disputed claims have now all been settled, resulting in payments totaling \$708,259.91 having being issued from the Disputed Claims Reserve by the Monitor leaving a residual balance of \$441,181.47 in the Disputed Claims Reserve.
10. As of the date of this Tenth Report, the balance of the Disputed Claims Reserve maintained by the Monitor is \$546,894.96 a summary of the composition of which is as follows:

Disputed Claims – residual funds after settlements	\$441,181.47
Compton Late Claim	105,713.49
Total	\$546,894.96

COMPTON PETROLEUM CORPORATION

11. Compton had originally filed a claim in advance of the Claims Bar Date (the "Original Compton Claim"). Darian subsequently issued a *Notice of Dispute* in response to which Compton filed a *Notice of Objection* and *Notice of Motion* in accordance with the terms of the Claims Process Order.
12. Subsequent to filing the Original Compton Claim, Compton discovered they had neglected to include a further pre-filing claim in the amount of \$105,370.53 a copy of which is attached as "Exhibit "C" to the June 22, 2010 filed Affidavit of Jared Snyder, the Joint Venture Accounting Supervisor of Compton. The Original Compton Claim has now been settled.

13. Compton is seeking a declaration from the Court that the Compton Late Claim be admitted and paid in accordance with the terms of the Plan.
14. Since the Compton Late Claim was advanced prior to the establishment of the Disputed Claims Reserve, the amount of the claim was funded by the Bidder (as defined in the Plan) in establishing the Disputed Claims Reserve in accordance with the terms of the Plan.

MUSTANG WELL SERVICES LTD. & CFR CHEMICALS INC.

15. In the Ninth Report, the Monitor previously provided the Court with additional information with respect to the late claims filed by Mustang and CFR in the amounts of \$61,723.20 and \$38,563.75 respectively. The Monitor wishes to confirm that no provision was established for these two claims in the Disputed Claims Reserve.

All of which is respectfully submitted this 14th day of September 2010.

Hardie & Kelly Inc., in its capacity as Monitor of
Darian Resources Ltd. and Bowview Petroleum Inc.
and not in its personal capacity

Per: _____

Marc Kelly, CA•CIRP
Senior Vice President