

Brookston Resources Inc

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dale Galassie, Chair
Illinois Health Facilities and Services Review Board
2nd Floor
525 West Jefferson Street
Springfield, IL 62761

Re: Certificate of Exemption No. E-001-11, Surgery Center of Southern Illinois

Dear Mr. Galassie:

This is a letter of support in favor of the above referenced exemption request.

I have been a business partner of Mr. Ron Osman for 15 years. I could fill this page with generalities regarding Mr. Osman's integrity and character but instead will offer 2 specific examples.

Our business relationship began in 1996. At that time, I was Vice President and General Manager of Figgie Natural Resources, a division of a Fortune 500 public company located in Cleveland, Ohio. During a re-organization, my division was put up for sale. After numerous attempts to sell the Illinois Basin properties, I requested my superior's permission to structure a management buyout. He presented my request to the Board of Directors and they approved.

We met with Mr. Osman and I presented an analysis supporting a value of \$5 million. With this analysis I also offered the advice that every prospective bidder over the course of 3 years received- "it is not my money that is being risked, it is yours- but if you are interested, get comfortable with what you can pay, make that offer, sign a definitive agreement to close in 30 days and include a substantial performance deposit. The people I work for are only interested in dealing with people who are serious".

Mr. Osman was the only potential buyer that listened. He never asked my opinion about what he would offer nor did I give him any direction. He offered about half of what my analysis supported, signed the purchase agreement, and included a performance deposit of 10%. He insisted that our proposed business relationship be front and center in the agreement for everyone to see. In a conference call with the Board of Directors, I presented and they accepted his offer and I am proud of the manner in which this transaction was conducted.

One year ago, Mr. Osman and I worked side by side to bring together the mineral owners of 8 separate farms into joint ownership using Illinois' Unitization Procedure for the purpose of initiating a waterflood project. Mr. Osman was the largest single owner in this project. My interest was exactly half of his. Our percentage interest and the royalty burden varied from farm to farm.

Throughout the course of this endeavor, there were numerous technical analyses necessary to result in the final sharing formula. Many opportunities existed to massage these analyses to our benefit. We were cutting up a \$40-\$60 million dollar pie. Never once did Mr. Osman suggest or did we discuss what was to our mutual benefit, how we could weigh one farm heavier where our ownership was higher or the royalty burden was less. Two objectives were paramount- 1) what is fair ?, and 2) what can achieve maximum agreement?

We treated our owners like adults and called a meeting. We laid the numbers out in plain view and proposed an ownership arrangement. Within 3 weeks, we had over 90% approval. We went to the state hearing on December 1st and received regulatory approval.

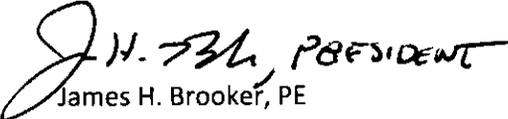
Should anyone take the time to understand the ownership sharing arrangement of this project, it would be clear that the final negotiated settlement was to our detriment. Although we were paying 97% of the bills, those farms in which we held less interest were given every possible benefit in the sharing formula.

These are but 2 illustrative bookends on a 15 year business relationship that has endured numerous successes and failures and wide variations in business conditions such as an oil price range of \$9 to \$147 per barrel. Through it all Mr. Osman has been an excellent supporter, confidant, and counsel. He is a quick study, always open to taking calculated, common sense risks, and applying new technologies in our approach to finding and developing oil reserves. With his support, our company has been nominated for the Illinois "Wildcatter of the Year" award 4 of the past 5 years and won this award in 2009.

Should success be your goal, he comes with my highest recommendation as a business partner.

If additional information is required, do not hesitate to contact me at (812)454-2490.

Sincerely,

 J. H. BROOKER, PRESIDENT
James H. Brooker, PE

President

Brookston Resources, Inc.