

PUBLIC NOTICE

Pursuant to the Wyoming Administrative Procedure Act and the Wyoming Public Service Commission's (Commission) Rules, notice is hereby given of the Joint Application of Merit Energy Operations I, LLC, Merit Energy Partners III-C Big Horn, LLC, Merit Energy Investments Legacy Big Horn, LLC, Red Butte Pipe Line Company (Red Butte), and SCM Red Butte, LLC (SCM), (collectively Applicants) for approval of a reorganization of Red Butte, which results in SCM purchasing all of the outstanding membership interests in Red Butte, as more fully described below.

Red Butte is a public utility as defined in Wyo. Stat. § 37-1-101(a)(vi)(G), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.

Red Butte is a Delaware limited liability company engaged in the business of operating an intrastate crude oil and petroleum transportation pipeline in Wyoming from the Big Horn Basin in Northwest Wyoming to Casper, Wyoming. Red Butte is a wholly owned subsidiary of Merit Energy Operations I, LLC, Merit Energy Partners III-C Big Horn, LLC and Merit Energy Investments Legacy Big Horn, LLC (collectively Merit). Red Butte's pipeline system consists of approximately 500 miles of active trunk and gathering lines, 236 miles of inactive pipelines, 20 pump stations and tank storage capacity of more than 700,000 barrels.

On December 15, 2017, the Applicants filed the Joint Application with the Commission, requesting approval of a reorganization of Red Butte pursuant to Wyo. Stat. § 37-1-104.

The Applicants entered into a Membership Interest Purchase Agreement on December 12, 2017, agreeing SCM would purchase from Merit all of the outstanding membership interests in Red Butte. SCM is a Delaware limited liability company with offices in Irving, Texas. SCM is wholly owned by SCM Wyoming Holdings, LLC and was established in October 2017 for acquiring a 100% membership interest in Red Butte. SCM Wyoming Holdings, LLC is a single member limited liability company wholly owned by SCM Holdings, LLC, a Delaware limited liability company. Upon approval of the Application, SCM would own 100% membership interest in Red Butte and the portion of the pipeline system located in Wyoming. The Applicants expect the ultimate financing for the transaction to consist of cash.

The Applicants state that SCM has the technical, managerial and financial ability and good faith to operate the intrastate pipeline system. Furthermore, the Applicants state the reorganization will not have any adverse impact to Red Butte's operation of its pipeline transportation services in Wyoming or to Red Butte's customers. At this time, Red Butte is not seeking to revise the rates in its current tariffs.

This is not a complete description of the Joint Application. Interested persons may inspect the Joint Application at the Commission's offices in Cheyenne, Wyoming, during regular business hours or online at <http://psc.state.wy.us/>.

Anyone desiring to file a public comment, statement, intervention petition, protest or request for a public hearing in this matter must file with the Commission in writing on or before March 2, 2018. Any intervention request filed with the Commission shall set forth the

grounds of the proposed intervention or request for hearing as well as the position and the interest of the petitioner in this proceeding. Please mention Docket No. 50045-25-PA-17 (Record No. 14913) in your communications.

If you wish to intervene in this matter or request a public hearing which you will attend and you require reasonable accommodation for a disability, call the Commission at (307) 777-7427 or write the Commission, 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002. Communications-impaired persons may contact the Commission through Wyoming Relay at 711.

Dated: February 1, 2018.