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December 10, 2004

BY EMAIL AND FACSIMILE

Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Re: Rule Certification. NYMEX Submission 04.170: Notification of Rule Amendments to the NYMEX Brent Crude Oil Futures Contract under Rules 205.04 and 205.13 to Amend the Brent Crude Oil Index Used for the Final Settlement Price for Contract Termination.

Dear CFTC Commissioners:

The New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") of rule amendments to NYMEX Rules 205.04 and 205.13 of the NYMEX Brent Crude Oil Futures Contract to change the Brent Crude Oil Index that is used for the final settlement price for contract termination. This rule change allows NYMEX to delete Platts as the index provider, and the Exchange to compile the index using data from three price reporting services (Argus, ICIS-LOR, and Reuters). The disclaimer under Rule 205.13 is also modified.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rule 40.6, the Exchange hereby certifies that the attached rule amendments comply with the Act, including regulations under the Act. The Exchange polled the market participants that hold open interest in the NYMEX Brent Crude Oil Contract, and there were no objections to these rule amendments. These changes to the NYMEX Brent Crude Oil Futures Contract will commence with the contract termination of the January 2005 contract month, starting on December 16, 2004.

Should you have any questions concerning the above, please contact Dan Brusstar, Director, Research, at (212) 299-2604; or contact the undersigned at (212) 299-2390.

Very truly yours,

Robert A. Levin
Senior Vice President, Research

Attachments: Rule amendments
Explanation of NYMEX Brent Crude Oil Index

Notification of Approved Rule Amendments

(Underlining indicates additions; ~~strikethroughs~~ indicate deletions)

NYMEX Brent Crude Oil Futures Contract

205.04 Platts NYMEX Brent Crude Oil Index

The Exchange shall publish a Final Settlement Price which shall be set at the value of the Platts NYMEX Brent Crude Oil Index.

205.13 Disclaimer

~~Platts, a division of The McGraw-Hill Companies, Inc. ("Platts"), licenses The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") to use various Platts' price information in connection with the trading of the contracts traded on the Exchange, including the Platts Brent Index which forms the basis for the Exchange's Brent Crude Oil Futures Contract.~~

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Explanation of Final Settlement Procedure

The NYMEX Brent Crude Oil Contract's final settlement procedure incorporates data from three price reporting services (Argus, ICIS-LOR, and Reuters). This index is based on information collected during the entire last trading day of the NYMEX Brent futures contract.

Three Components of the Final Settlement Index

- *Weighted Average of front-month 21-day BFO cash market transactions:* the price reporting services will collect prices on market transactions for Brent cargoes and partial cargoes for the front-month, the same contract-month which is terminating trading in the futures market (the *first-nearby* contract month). For instance, the January 2005 Brent futures contract is scheduled to terminate trading December 16. The first component of the index would be a weighted average of outright prices for January cash BFO.
- *Implied front-month price based on spread trading between the first and second months forward:* the price reporting services will collect prices for two types of transactions – Cash BFO for the second month forward and spreads between the front-month and second-month cash BFO —calculate a weighted average for each, and then derive an implied weighted average front-month price.
- *Price indications of front-month cash BFO:* the reporting services provide periodic price assessments of current prices for 21-day cash BFO. These *indications* are based on the transaction information and best bids and offers in the marketplace.

The final settlement price calculated based on the arithmetic average of these three components.