

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 18-064 (1 of 4)

Organization: New York Mercantile Exchange, Inc. ("NYMEX")

Filing as a: **DCM** **SEF** **DCO** **SDR**

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 03/23/2018 **Filing Description:** Initial Listing of Four (4) Western Canadian Select (Argus) Petroleum Futures and Option Spread Contracts

SPECIFY FILING TYPE

Please note only ONE choice allowed per Submission.

Organization Rules and Rule Amendments

- | | | |
|--------------------------|-------------------------------------|------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Notification | § 40.6(d) |
| <input type="checkbox"/> | Advance Notice of SIDCO Rule Change | § 40.10(a) |
| <input type="checkbox"/> | SIDCO Emergency Rule Change | § 40.10(h) |

Rule Numbers:

New Product

Please note only ONE product per Submission.

- | | | |
|-------------------------------------|---------------------------------------|------------|
| <input checked="" type="checkbox"/> | Certification | § 40.2(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.23(a) |
| <input type="checkbox"/> | Certification Swap Class | § 40.2(d) |
| <input type="checkbox"/> | Approval | § 40.3(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.23(b) |
| <input type="checkbox"/> | Novel Derivative Product Notification | § 40.12(a) |
| <input type="checkbox"/> | Swap Submission | § 39.5 |

Product Terms and Conditions (product related Rules and Rule Amendments)

- | | | |
|--------------------------|---------------------------------------------------------|----------------------|
| <input type="checkbox"/> | Certification | § 40.6(a) |
| <input type="checkbox"/> | Certification Made Available to Trade Determination | § 40.6(a) |
| <input type="checkbox"/> | Certification Security Futures | § 41.24(a) |
| <input type="checkbox"/> | Delisting (No Open Interest) | § 40.6(a) |
| <input type="checkbox"/> | Approval | § 40.5(a) |
| <input type="checkbox"/> | Approval Made Available to Trade Determination | § 40.5(a) |
| <input type="checkbox"/> | Approval Security Futures | § 41.24(c) |
| <input type="checkbox"/> | Approval Amendments to enumerated agricultural products | § 40.4(a), § 40.5(a) |
| <input type="checkbox"/> | “Non-Material Agricultural Rule Change” | § 40.4(b)(5) |
| <input type="checkbox"/> | Notification | § 40.6(d) |

Official Name(s) of Product(s) Affected:

Rule Numbers:



Christopher Bowen
 Managing Director and Chief Regulatory Counsel
 Legal Department

March 23, 2018

VIA ELECTRONIC PORTAL

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

Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of Four (4) Western Canadian Select (Argus) Petroleum Futures and Option Spread Contracts. NYMEX Submission No. 18-064 (1 of 4)

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is notifying the Commodity Futures Trading Commission (“CFTC” or “Commission”) that it is self-certifying the initial listing of four (4) Western Canadian Select (Argus) petroleum futures and option spread contracts (the “Contracts”) for trading on the CME Globex electronic platform and for submission for clearing on CME ClearPort, effective on Sunday, April 8, 2018 for trade date Monday, April 9, 2018, as described below.

Contract Title	WCS Cushing (Argus) vs. WTI Trade Month Futures	WCS Cushing (Argus) vs. WTI Calendar Month Futures	WCS Cushing (Argus) vs. WTI Trade Month Average Price Option	WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option
Rulebook Chapter	1282	1283	1284	1285
Commodity Code	WNT	WNC	WNO	WAO
Listing Schedule	Monthly contracts listed for the current year and the next 5 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.	Monthly contracts listed for the current year and the next 5 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.	Monthly contracts listed for the current year and the next 5 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.	Monthly contracts listed for the current year and the next 5 calendar years. List monthly contracts for a new calendar year following the termination of trading in the December contract of the current year.
Contract Size	1,000 Barrels	1,000 Barrels	1,000 Barrels	1,000 Barrels
Settlement Method	Financial	Financial	Financial	Financial
Minimum Price Fluctuation	0.01	0.01	0.01	0.01

Value per Tick	\$10.00	\$10.00	\$10.00	\$10.00
First Listed Contract	May 2018	April 2018	May 2018	April 2018
CME Globex Match Algorithm	First-In, First-Out (FIFO)	First-In, First-Out (FIFO)	First-In, First-Out (FIFO)	First-In, First-Out (FIFO)
Block Trade Minimum Threshold	5 contracts	5 contracts	5 contracts	5 contracts
Termination of Trading	Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.	Trading shall cease at the close of trading on the last business day of the contract month.	Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.	Trading shall cease at the close of trading on the last business day of the contract month.
Exercise Style			European	European
Strike Increment			\$0.01 per barrel	\$0.01 per barrel
Strike Price Listing Rule			Dynamic strikes only at \$0.01 per barrel strike increment.	Dynamic strikes only at \$0.01 per barrel strike increment.
Underlying Futures Contract			WCS Cushing (Argus) vs. WTI Trade Month Futures (Commodity Code: WNT)	WCS Cushing (Argus) vs. WTI Calendar Month Futures (Commodity Code: WAO)

Exchange Fees

Futures Contracts
WCS Cushing (Argus) vs. WTI Trade Month Futures
WCS Cushing (Argus) vs. WTI Calendar Month Futures

	Member	Non-Member	International Incentive Programs (IIP/IVIP)
Exchange Fees			
CME Globex	\$0.85	\$1.35	\$1.10
EFP	\$0.85	\$1.35	
Block	\$0.85	\$1.35	

EFR/EOO	\$0.85	\$1.35	
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Processing Fees	Member	Non-Member
Cash Settlement	\$0.50	\$0.50
Other Fees		
Facilitation Fee		\$0.60
Give-Up Surcharge		\$0.05
Position Adjustment/Transfer		\$0.10

Option Contracts
WCS Cushing (Argus) vs. WTI Trade Month Average Price Option
WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option

	Member	Non-Member	International Incentive Programs (IIP/IVIP)
Exchange Fees			
CME Globex	\$0.70	\$1.45	\$0.77
Block	\$1.75	\$2.50	
EFR/EOO	\$1.75	\$2.50	

Processing Fees	Member	Non-Member
Cash Settlement	\$0.90	\$1.15
Other Fees		
Facilitation Fee		\$0.60
Give-Up Surcharge		\$0.05
Position Adjustment/Transfer		\$0.10

Trading and Clearing Hours

CME Globex and CME ClearPort	Sunday - Friday 6:00 p.m. - 5:00 p.m. Eastern Time/ET (5:00 p.m. - 4:00 p.m. Central Time/CT) with a 60-minute break each day beginning at 5:00 p.m. ET (4:00 p.m. CT)
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NYMEX is self-certifying block trading on the Contracts with a minimum block threshold of five (5) contracts. This minimum block threshold level of five (5) contracts is aligned with the Exchange's existing crude oil futures and options contracts.

The Exchange reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodity Exchange Act ("CEA" or "Act") and identified that the Contracts may have some bearing on the following Core Principles:

- **Compliance with Rules:** Trading in the Contracts will be subject to the rules in Rulebook Chapter 4 which include prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in these Contracts will also be subject to the full panoply of trade practice rules, the majority of which are contained in Chapter 5 and Chapter 8 of the Rulebook. As with all products

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listed for trading on one of CME Group's designated contract markets, activity in the Contracts will be subject to extensive monitoring and surveillance by CME Group's Market Regulation Department. The Market Regulation Department has the authority to exercise its investigatory and enforcement power where potential rule violations are identified.

- **Contract Not Readily Subject to Manipulation:** The Contracts are not readily subject to manipulation because of their structural attributes, active underlying markets and reliance on well administered indexes. Final settlements are based on indices published by Argus Media ("Argus") and sub-licensed to the Exchange.
- **Prevention of Market Disruption:** Trading in the Contracts will be subject to the Rules of NYMEX, which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contracts proposed herein will be subject to monitoring and surveillance by CME Group's Market Regulation Department.
- **Position Limitations or Accountability:** The speculative position limits for the Contracts as demonstrated in this submission are consistent with the Commission's guidance.
- **Availability of General Information:** The Exchange will publish on its website information regarding the Contracts' specifications, terms, and conditions, as well as daily trading volume, open interest, and price information.
- **Daily Publication of Trading Information:** The Exchange will publish the Contracts' trading volumes, open interest levels, and price information daily on its website and through quote vendors for the Contracts.
- **Execution of Transactions:** The Contracts will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information:** All requisite trade information for the Contracts will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Financial Integrity of Contract:** The Contracts will be cleared by the CME Clearing House, a derivatives clearing organization registered with the CFTC and subject to all CFTC regulations related thereto.
- **Protection of Market Participants:** NYMEX Rulebook Chapters 4 and 5 set forth multiple prohibitions that preclude intermediaries from disadvantaging their customers. These rules apply to trading in all of the Exchange's competitive trading venues.
- **Disciplinary Procedures:** Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the Contracts will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in these products are identified.
- **Dispute Resolution:** Disputes with respect to trading in the Contracts will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all nonmembers to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a nonmember is required to participate in

the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that listing the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to listing of the Contracts.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (212) 299-2200 or via e-mail at CMEGSubmissionInquiry@cmegroup.com.

Sincerely,

/s/ Christopher Bowen
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: NYMEX Rulebook Chapters
Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the NYMEX Rulebook (attached under separate cover)
Exhibit C: NYMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table
Exhibit D: Cash Market Overview and Analysis of Deliverable Supply

Exhibit A

NYMEX Rulebook Chapters

Chapter 1282

WCS Cushing (Argus) vs. WTI Trade Month Futures

1282100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1282101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the average of the Argus WCS Cushing Differential to the Calendar Month Average (CMA) NYMEX WTI price (weighted average) under the heading "WCS Cushing Diff to CMA NYMEX (wtd avg)" price from Argus Media for the Trade month period beginning with the first business day after the 25th calendar day two months prior to the contract month through the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, the Trade month period shall end on the first business day prior to the 25th calendar day.

1282102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

1282102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1282102.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

1282102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. There shall be no maximum price fluctuation.

1282102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1282102.E. Termination of Trading

Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

1282103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

1282104. DISCLAIMER

Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Argus price assessments in connection with the trading and/or clearing of the contract.

NYMEX, ITS AFFILIATES AND RIM MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE PRICE ASSESSMENT, TRADING AND/OR CLEARING BASED ON THE PRICE ASSESSMENT, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING AND/OR CLEARING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX, ITS AFFILIATES AND RIM INTELLIGENCE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIM ALL WARRANTIES

OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR RIM INTELLIGENCE HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Chapter 1283 WCS Cushing (Argus) vs. WTI Calendar Month Futures

1283100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price. The procedures for trading, clearing and cash settlement of this contract, and any other matters not specifically covered herein shall be governed by the general rules of the Exchange.

1283101. CONTRACT SPECIFICATIONS

The Floating Price for each contract month is equal to the average of the Argus WTI Differential to the Calendar Month Average (CMA) NYMEX WTI price (weighted average) under the heading "WTI Diff to CMA NYMEX (wtd avg)" price from Argus Media for each business day that it is determined during the calendar month.

1283102. TRADING SPECIFICATIONS

The number of months open for trading at a given time shall be determined by the Exchange.

1283102.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1283102.B. Trading Unit

The contract quantity shall be 1,000 U.S. barrels. Each contract shall be valued as the contract quantity (1000) multiplied by the settlement price.

1283102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel. There shall be no maximum price fluctuation.

1283102.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1283102.E. Termination of Trading

Trading shall cease at the close of trading on the last business day of the contract month.

1283103. FINAL SETTLEMENT

Final settlement under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

1283104. DISCLAIMER

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Chapter 1284

WCS Cushing (Argus) vs. WTI Trade Month Average Price Option

1284100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the WCS Cushing (Argus) vs. WTI Trade Month Futures contract. In addition to the rules of this chapter, transactions in options on WCS Cushing (Argus) vs. WTI Trade Month Futures shall be subject to the general rules of the Exchange insofar as applicable.

1284101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

1284101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1284101.B. Trading Unit

A WCS Cushing (Argus) vs. WTI Trade Month Average Price Option is a cash-settled option. On expiration of a call option, the value will be the difference between settlement price of the underlying WCS Cushing (Argus) vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On expiration of a put option, the difference between settlement price of the underlying WCS Cushing (Argus) vs. WTI Trade Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater.

1284101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.

1284101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1284101.E. Termination of Trading

Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

1284101.F. Type Option

The option is a European-style option which can be exercised on the expiration day.

1284102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1284103. DISCLAIMER

Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Argus price assessments in connection with the trading and/or clearing of the contract.

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TO THE PRICE ASSESSMENT OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX, ITS AFFILIATES OR RIM INTELLIGENCE HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Chapter 1285

WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option

1285100. SCOPE OF CHAPTER

This chapter is limited in application to put and call options on the WCS Cushing (Argus) vs. WTI Calendar Month Futures contract. In addition to the rules of this chapter, transactions in options on WCS Cushing (Argus) vs. WTI Calendar Month Futures shall be subject to the general rules of the Exchange insofar as applicable.

1285101. OPTION CHARACTERISTICS

The number of months open for trading at a given time shall be determined by the Exchange.

1285101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

1285101.B. Trading Unit

A WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option is a cash-settled option. On expiration of a call option, the value will be the difference between settlement price of the underlying WCS Cushing (Argus) vs. WTI Calendar Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater. On expiration of a put option, the difference between settlement price of the underlying WCS Cushing (Argus) vs. WTI Calendar Month Futures and the strike price multiplied by 1,000 barrels, or zero whichever is greater.

1285101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel. The minimum price fluctuation shall be \$0.01 per barrel.

1285101.D. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1285101.E. Termination of Trading

Trading shall cease on the last business day of the contract month.

1285101.F. Type Option

The option is a European-style option which can be exercised on the expiration day.

1285102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

1285103. DISCLAIMER

Argus Media ("Argus") licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Argus price assessments in connection with the trading and/or clearing of the contract.

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CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Exhibit B

**Position Limit, Position Accountability, and Reportable Level Table
in Chapter 5 of the NYMEX Rulebook**

(Attached under separate cover)

Exhibit C

NYMEX Rule 588.H. (“Globex Non-Reviewable Ranges”) Table

(Additions are underscored)

Instrument Name	Globex Symbol	Outright			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Ticks	NRR: Globex Format	NRR: Minimum Outright Ticks
<u>WCS (Argus) vs. WTI Trade Month Futures</u>	<u>WNT</u>	<u>\$1.00 per barrel</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	<u>N/A</u>
<u>WCS (Argus) vs. WTI Calendar Month Futures</u>	<u>WNC</u>	<u>\$1.00 per barrel</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	<u>N/A</u>

Instrument	Bid/Ask Reasonability	Non-Reviewable Range (NRR)
<u>WCS Cushing(Argus) vs. WTI Trade Month Average Price Option</u>	<u>The greater of the delta times the underlying futures' non-reviewable range or 20% of the fair value premium up to the underlying futures' non-reviewable range with a minimum reasonability of \$0.25</u>	<u>The greater of delta times the underlying futures non-reviewable range or 20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick</u>
<u>WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option</u>	<u>The greater of the delta times the underlying futures' non-reviewable range or 20% of the fair value premium up to the underlying futures' non-reviewable range with a minimum reasonability of \$0.25</u>	<u>The greater of delta times the underlying futures non-reviewable range or 20% of premium up to 1/4 of the underlying futures' non-reviewable range with a minimum of 1 tick</u>

Exhibit D

Cash Market Overview and Analysis of Deliverable Supply

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is self-certifying the initial listing of four (4) Western Canadian Select (Argus) petroleum futures and option spread contracts (the “Contracts”) as noted in the table below. The Exchange conducted a review of the underlying cash market and deliverable supply of Western Canadian Select (WCS) crude oil stream.

<u>Contract Title</u>	<u>Commodity Code</u>	<u>Rulebook Chapter</u>	<u>Spot Limit</u>
WCS Cushing (Argus) vs. WTI Trade Month Futures	WNT	1282	1,000 contracts
WCS Cushing (Argus) vs. WTI Calendar Month Futures	WNC	1283	1,000 contracts
WCS Cushing (Argus) vs. WTI Trade Month Average Price Option	WNO	1284	1,000 contracts
WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option	WAO	1285	1,000 contracts

For the WCS Cushing (Argus) vs. WTI Trade Month Futures, WCS Cushing (Argus) vs. WTI Calendar Month Futures, WCS Cushing (Argus) vs. WTI Trade Month Average Price Option, and WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option contracts, the Exchange has determined to base its analysis of the deliverable supply on pipeline flow information from Canada to Cushing, Oklahoma.

In its analysis of deliverable supply, the Exchange did not include stocks data as the data tends to fluctuate. Additionally, the Exchange determined not to adjust the deliverable supply estimates for long-term contracts. With respect to long-term contracts, the majority of Western Canadian Select (WCS) type crude oil is typically sold in term agreements but with flexibility for re-trading in the spot market. Total supplies delivered daily, the portion of total supply that is delivered via pipeline, and spot market volumes collectively indicate that term contract holders, which include marketers, consistently and regularly re-sell supply in the spot markets. Accordingly, the Exchange has determined not to adjust the deliverable supply estimate because long-term contracts are not restrictive of spot market liquidity.

Data Sources

The Canadian Association of Petroleum Producers (CAPP) is a trade association whose members, representing 130 upstream oil and gas companies, produce more than 90 percent of Canada’s crude oil and natural gas. CAPP maintains a variety of publications and statistics on the oil and natural gas industry given its extensive membership list. CAPP’s publication, the Statistical Handbook for Canada’s Upstream Petroleum Industry, October 2017 constitutes the main source of data the Exchange utilized for its deliverable supply analysis on Canadian condensate.

The Canadian Oil Logistics Committee (COLC) is an organization created as a decision-making body for effective and efficient management of western Canadian crude oil and segregated condensate logistical systems. The main objective of the COLC is to collect and analyze crude oil and condensate receipt and disposition statistics to identify potential problems and recommend solutions. It is comprised of producers, shippers, pipelines, terminals, industry associations, government regulators and departments. The COLC website provides detailed information on actual pipeline flows and capacity listed by pipeline in Canada.

Canadian crude oil is priced in U.S. dollars and cents per barrel, and typically traded at a differential to the calendar month average (CMA) of the NYMEX Light Sweet Crude Oil Futures (CL) contract. Prices are

primarily dependent on the U.S. Midwest market, adjusted for quality and transportation costs from the Hardisty hub.

The final settlement price for the WCS Cushing (Argus) vs. WTI Trade Month Futures, WCS Cushing (Argus) vs. WTI Calendar Month Futures, WCS Cushing (Argus) vs. WTI Trade Month Average Price Option, and WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option contracts are based on the assessment of the underlying Canadian WCS physical market as assessed and published by Argus Media, which is one of the price reporting agencies that are used in the over-the-counter market for pricing contracts.

Western Canadian Select (WCS) Crude Oil Production

WCS type crude oil is a heavy crude oil stream that is a blend of oil sands, known as diluted bitumen (referred to as “dilbit”) which is also blended with Canadian heavy conventional crude oil and condensate diluents. It has an API gravity of 20-22, and density of 921-929. It is produced and traded at the Husky terminal in Hardisty, Alberta, which is the main hub for WCS in Canada. The main producers of WCS crude oil are: Cenovus Energy, Canadian Natural Resources, Suncor Energy, Repsol Canada (Repsol and Talisman Energy).

There are two major kinds of oil production methods in Canada: conventional and unconventional, or oil sands. As conventional crude oil fields have matured and output declined, crude production from oil sands has surpassed that of conventional sources to meet demand.

Oil sands production employs two main technologies to recover oil; mining and in-situ, or “in-place.” Mining is an open pit operation that is effective in extracting oil sand deposits near the surface. After extraction, deposits are loaded into trucks and transported to a cleaning facility where bitumen is separated from the mixture with hot water.

The second method, in-situ, can reach the deeper sand deposits, which involves the use of steam to heat and separate bitumen from the surrounding sands, causing it to pool closer to the surface. The bitumen is then pumped from these pools using horizontal drain wells. Oil sands producers must add lighter hydrocarbons, such as natural gasoline or condensate, to the bitumen, once extracted, to allow it to flow through pipelines.

The Canadian Association of Petroleum Producers (CAPP) provides data on crude oil production. According to CAPP, total oil sands production averaged approximately 2.3 million barrels per day or approximately 60% of the total Canadian oil production over the 2014– 2016 period. In addition, in 2016, more than 3.6 million barrels per day of crude oil were produced in Western Canada alone. Production data is illustrated in Table 1 below.

Table 1 - Canadian Crude Oil Production¹

(thousand barrels per day)

	2014	2015	2016	Average
Total Oil Sands Production	2,155	2,365	2,400	2,307
Total Production, Western Canada	3,523	3,678	3,637	3,612
Total Production, Eastern Canada	220	176	213	203
Total Canadian Oil production	3,743	3,854	3,850	3,816
Share, oil sands vs. Total Canadian production	58%	61%	62%	60%

¹Canadian Crude Oil Production, <https://www.capp.ca/publications-and-statistics/publications/302698>

WCS type crude oil is blended from various heavy Canadian crude oil streams and crude-related components. According to pipeline flow data provided by the Canadian Oil Logistics Committee (COLC), there were on average 1.17 million barrels per day of heavy Canadian crude oil (also called “dilbit”) delivered from the Hardisty hub in Eastern Alberta to the U.S. for the three-year period of 2015 through 2017. Table 2 below provides the three-year average of COLC pipeline flow data for dilbit delivered from Eastern Alberta to the U.S. The Exchange believes that the COLC data provides the best publicly-available information on pipeline flows of heavy Canadian WCS type crude oil that is available for delivery from the Husky terminal in Hardisty to the U.S., and therefore the COLC data will be used as the basis of the Exchange’s deliverable supply estimate.

Table 2 – Pipeline Flows of Diluted Bitumen (“Dilbit) in Eastern Alberta (Source: COLC)²

(thousand barrels per day)

	2015	2016	2017	Average
Pipeline Flows of Dilbit in Eastern Alberta	1,056	1,118	1,335	1,170

Western Canadian Select (WCS) in Cushing

The Cushing hub is a key center for the transportation, storage, and blending of heavy Canadian and WCS type crude oil as it transits to the U.S. Gulf Coast refining center. At the Cushing hub, WCS type crude oil is a blended stream of various Canadian heavy crude oil streams

There are two major Canadian pipelines that carry heavy Canadian WCS type crude oil to Cushing: 1) Enbridge’s Flanagan South pipeline with capacity of 600,000 barrels per day (b/d); and 2) Transcanada’s Keystone pipeline with 590,000 b/d capacity. The total flow capacity of these two Canadian pipelines is nearly 1.2 million b/d. The pipeline flow information on the Enbridge and Transcanada pipelines is confidential, and thus not publicly available.

According to the COLC, which is a publicly available source for Canadian pipeline flow data, there were 1.17 million barrels per day of heavy Canadian WCS type crude oil (also referred to as “dilbit”) delivered from the Hardisty hub in Eastern Alberta to the U.S. during the three-year period of 2015 through 2017. The Cushing hub is a key transit and blending center for heavy Canadian WCS type crude oil as it flows from Canada to the U.S. Gulf Coast refining center.

² Pipeline Flows, Comparative Delivery Statistics, <http://colcomm.com/secure/reports.aspx>.

Deliverable Supply

The Commission defines deliverable supply as the quantity of the commodity meeting a derivative contract's delivery specifications that can reasonably be expected to be readily available to short traders and saleable by long traders at its market value in normal cash marketing channels at the derivative contract's delivery points during the specified delivery period, barring abnormal movement in interstate commerce.

The data compiled was converted from cubic meters to barrels per day using a conversion factor of 6.2898. A yearly average was computed for calendar years: 2015-2017 from the monthly data, followed by computing a three-year average to calculate the deliverable supply estimate.

The following report was utilized:

- *Comparative Delivery Statistics (DS5)*: The sum of pipeline flows for Enbridge and Transcanada Keystone was computed for WCS type crude oil.

The Exchange has taken a conservative estimate of the available pipeline flow, and has determined the pipeline supply of heavy Canadian WCS type crude oil to Cushing to be approximately 500,000 b/d, which accounts for 40% of the total pipeline flow as reported by the COLC. This estimate is conservative, and takes into consideration the seasonal fluctuations and pipeline maintenance periods. Further, industry sources have confirmed that this methodology is conservative.

Further, the breakdown of storage data for heavy Canadian crude oil in Cushing is not available from the Energy Information Administration (EIA). Consequently, the Exchange is not including stocks data in its analysis of deliverable supply.

Further, the Exchange has determined not to adjust the deliverable supply estimate based on spot availability because spot market liquidity is not restrictive and tends to vary depending on the market fundamentals of demand and supply. The typical term agreement in the cash market allows flexibility for re-trading of the contracted quantity in the spot market, so the term agreements do not restrict the potential deliverable supply. Also, the spot trading is not restricted, in that it could increase if the market demand increases. Therefore, we believe that it is not necessary to adjust the deliverable supply estimate on the basis of spot trading activity as it does not restrict the deliverable supply, and spot trading volume can expand to allow for more supply to flow if needed in the spot market.

Based on the foregoing, the Exchange estimates deliverable supply of heavy Canadian WCS type crude oil in Cushing at approximately 500,000 b/d, or 15 million barrels per month, which is equivalent to 15,000 futures contracts per month. Therefore, the proposed spot month position limits of the WCS Cushing (Argus) vs. WTI Trade Month Futures and the WCS Cushing (Argus) vs. WTI Calendar Month Futures of 1,000 contracts represents 6.7% of the estimated monthly deliverable supply.

Positions in the WCS Cushing (Argus) vs. WTI Trade Month Average Price Option contract (contract size: 1,000 barrels; commodity code: WNO) will aggregate into the Exchange's WCS Cushing (Argus) vs. WTI Trade Month Futures (commodity code: WNT). The proposed spot month position limit for the WCS Cushing (Argus) vs. WTI Trade Month Average Price Option contract is 1,000 contracts.

Positions in the WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option contract (contract size: 1,000 barrels; commodity code: WAO) will aggregate into the Exchange's WCS Cushing (Argus) vs. WTI Calendar Month Futures (commodity code: WNC). The proposed spot month position limit for the WCS Cushing (Argus) vs. WTI Calendar Month Average Price Option contract is 1,000 contracts.