

SUBMISSION COVER SHEET

IMPORTANT: Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 23-149 (3 of 3)

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): 04/18/23 **Filing Description:** Initial Listing of Three (3) Crude Oil Futures 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:

April 18, 2023

VIA ELECTRONIC PORTAL

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

**Re: CFTC Regulation 40.2(a) Certification. Initial Listing of Three (3) Crude Oil Futures Contracts.
NYMEX Submission No. 23-149 (3 of 3)**

Dear Mr. Kirkpatrick:

New York Mercantile Exchange, Inc. (“NYMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of three (3) crude oil (Argus) futures contracts as noted in the table below (the “Contracts”) for trading on the CME Globex electronic trading platform (“CME Globex”) and for submission for clearing via CME ClearPort effective Sunday, May 14, 2023, for trade date Monday, May 15, 2023 as described in the table below.

Contract Title	Bakken DAPL (Argus) Monthly Futures	Bakken Patoka (Argus) Monthly Futures	Guernsey Light Sweet (Argus) Monthly Futures
Commodity Code	DAB	BPA	GSW
Rulebook Chapter	1275	1276	1277
Settlement Type	Financial		
Contract Size	1,000 barrels		
Minimum Price Fluctuation	\$.01 per barrel		
Value per tick	\$10.00		
Listing Schedule	Monthly contracts listed for the current year and the next 3 calendar years. List monthly contracts for a new calendar following the termination of trading in the December contract of the current year.		
First Listed Month	June 2023		
Block Trade Minimum Threshold	5 contracts – subject to a minimum 15-minute reporting window		
Termination of Trading	Trading terminates on the 25th calendar day of the month prior to the contract month. If the 25th calendar day is not a Business Day, trading terminates on the business day prior to the 25th calendar day.		
CME Globex Matching Algorithm	First-In, First-Out (FIFO)		
Trading and Clearing Hours	CME Globex Pre-Open: Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday - Thursday 4:45 p.m. - 5:00 p.m. CT CME Globex: Sunday - Friday 5:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT CME ClearPort: Sunday - Friday 5:00 p.m. - 4:00 p.m. CT with no reporting Monday - Thursday 4:00 p.m. - 5:00 p.m. CT		

The Exchange reviewed the designated contracts 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 includes prohibitions against fraudulent, noncompetitive, unfair and abusive practices. Additionally, trading in the 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 listed for trading on one of CME Group’s designated contract markets, activity in the new product 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 susceptible to manipulation and are based on the liquidity and robustness of the underlying cash market.
- **Prevention of Market Disruption:** Trading in the Contracts will be subject to the Rules of NYMEX which include prohibitions on manipulation, price distortion and disruptions of the delivery or cash-settlement process. As with all products listed for trading on one of CME Group’s designated contract markets, activity in the new products will be subject to extensive 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 contract specifications, terms and conditions, as well as daily trading volume, open interest and price information for the Contracts.
- **Daily Publication of Trading Information:** The Exchange will publish information contract 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 required 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 which is a registered derivatives clearing organization with the Commission and is subject to all Commission regulations related thereto.
- **Protection of Market Participants:** NYMEX Rulebook Chapters 4 and 5 contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all of the Exchange’s competitive trading venues and will be applicable to transactions in these Contracts.
- **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 rules. Trading in these 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 Contracts 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. The rules in Chapter 6 allow 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 the rules in 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 the Contracts comply with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

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

Exhibit A
NYMEX Rulebook

Chapter 1275
Bakken DAPL (Argus) Monthly Futures

1275100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Index 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.

1275101. CONTRACT SPECIFICATIONS

The Index Price for each contract month is equal to the Bakken DAPL Cumulative Month-to-Date Volume Weighted Average (MTD VWA) Diff Index Price from Argus Media for the Trade Month Period for the contract month. The Trade month period begins with the first U.S. business day after the 25th calendar day two months prior to the contract month and ends 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, the Trade month period shall end on the first business day prior to the 25th calendar day. The Index is expressed as a differential versus the Calendar Month Average (CMA) of the NYMEX Light Sweet Crude Oil futures settlement price.

1275102. TRADING SPECIFICATIONS

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

1275102.A. Trading Schedule

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

1275102.B. Trading Unit

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

1275102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

1275102.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.

1275102.E. Termination of Trading

Trading shall cease at the close of trading on the last U.S. 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.

1275103. 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 Index Price. The final settlement price will be the Index calculated for each contract month.

1275104. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Chapter 1276 Bakken Patoka (Argus) Monthly Futures

1276100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Index 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.

1276101. CONTRACT SPECIFICATIONS

The Index Price for each contract month is equal to the Bakken Patoka Cumulative Month-to-Date Volume Weighted Average (MTD VWA) Diff Index Price from Argus Media for the Trade Month Period for the contract month. The Trade month period begins with the first U.S. business day after the 25th calendar day two months prior to the contract month and ends 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, the Trade month period shall end on the first business day prior to the 25th calendar day. The Index is expressed as a differential versus the Calendar Month Average (CMA) of the NYMEX Light Sweet Crude Oil futures settlement price.

1276102. TRADING SPECIFICATIONS

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

1276102.A. Trading Schedule

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

1276102.B. Trading Unit

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

1276102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

1276102.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.

1276102.E. Termination of Trading

Trading shall cease at the close of trading on the last U.S. 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.

1276103. 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 Index Price. The final settlement price will be the Index calculated for each contract month.

1276104. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Chapter 1277 Guernsey Light Sweet (Argus) Monthly Futures

1277100. SCOPE OF CHAPTER

The provisions of these rules shall apply to all futures contracts bought or sold on the Exchange for cash settlement based on the Index 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.

1277101. CONTRACT SPECIFICATIONS

The Index Price for each contract month is equal to the Light Sweet Guernsey Cumulative Month-to-Date Volume Weighted Average (MTD VWA) Diff Index Price from Argus Media for the Trade Month Period for the contract month. The Trade month period begins with the first U.S. business day after the 25th calendar day two months prior to the contract month and ends 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, the Trade month period shall end on the first business day prior to the 25th calendar day. The Index is expressed as a differential versus the Calendar Month Average (CMA) of the NYMEX Light Sweet Crude Oil futures settlement price.

1277102. TRADING SPECIFICATIONS

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

1277102.A. Trading Schedule

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

1277102.B. Trading Unit

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

1277102.C. Price Increments

Prices shall be quoted in U.S. dollars and cents per barrel. The minimum price fluctuation shall be \$0.001 per barrel. There shall be no maximum price fluctuation.

1277102.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.

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Trading shall cease at the close of trading on the last U.S. 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.

1277103. 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 Index Price. The final settlement price will be the Index calculated for each contract month.

1277104. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

Exhibit B
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Position Limits, Position Accountability and Reportable Level Table
(attached under separate cover)

Exhibit C
Exchange Fees

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

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

Exhibit D
NYMEX Rulebook
Chapter 5
(“Trading Qualifications and Practices”)
Rule 588.H. (“Globex Non-Reviewable Trading Ranges”) Table
(additions underscored)

Instrument	Globex Symbol	Outrights			Spreads	
		Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR: Minimum Ticks	NRR: Globex Format	NRR: Minimum Ticks
<u>Bakken DAPL (Argus) Monthly Futures</u>	<u>DAB</u>	<u>\$1.00 per barrel</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	
<u>Bakken Patoka (Argus) Monthly Futures</u>	<u>BPA</u>	<u>\$1.00 per barrel</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	
<u>Guernsey Light Sweet (Argus) Monthly Futures</u>	<u>GSW</u>	<u>\$1.00 per barrel</u>	<u>100</u>	<u>100</u>	<u>N/A</u>	

Exhibit E

Cash Market Overview and Analysis of Deliverable Supply

The Exchange conducted a review of the underlying cash markets and deliverable supply in the Bakken and Guernsey Hub regions.

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. (See Appendix C to 17 CFR part 38.)

Bakken Cash Market Overview

Bakken crude oil is a light sweet crude oil stream that is produced in the Williston Basin, primarily in North Dakota but extending to Montana and South Dakota. According to pipeline quality data,¹ the American Petroleum Institute ("API") gravity is generally between 43° and 44° and sulfur content <0.1 wt.%. Based on data from the North Dakota Department of Mineral Resources, Bakken Crude Oil production has averaged 1,100 thousand barrels per day over the last three years. Monthly production volumes are shown in Table 1 below.

Bakken crude oil is transported out of the production area primarily via pipeline, with the majority of the supply either ultimately moving southeast via the Dakota Access ("DAPL") and Enbridge pipelines to markets in Patoka, Illinois and the Gulf Coast, or west and south into the Guernsey Hub and onto the Cushing region. The major pipelines and markets for Williston Basin Crude Oil are illustrated and listed in Exhibit 1 and Table 2 below.

¹<https://commoncarrier.energytransfer.com/InfoPost/CommonCarriers/resources/DAPL/PostedDocuments/BakkenQualityData.pdf>

Table 1: North Dakota Bakken Oil Production (Thousand Barrels per Day)²

3 Yr Avg	1100
Nov-22	1058
Oct-22	1080
Sep-22	1081
Aug-22	1034
Jul-22	1031
Jun-22	1058
May-22	1021
Apr-22	873
Mar-22	1088
Feb-22	1054
Jan-22	1051
Dec-21	1104
Nov-21	1120
Oct-21	1068
Sep-21	1071
Aug-21	1067
Jul-21	1038
Jun-21	1093
May-21	1087
Apr-21	1079
Mar-21	1065
Feb-21	1042
Jan-21	1103
Dec-20	1146
Nov-20	1180
Oct-20	1185
Sep-20	1177
Aug-20	1124
Jul-20	1001
Jun-20	856
May-20	829
Apr-20	1179
Mar-20	1380
Feb-20	1400
Jan-20	1375
Dec-19	1420

² As of Jan '23. ND historical production is often revised: <https://www.dmr.nd.gov/oilgas/stats/historicalbakkenoilstats.pdf>

Exhibit 1: Major Pipelines & Destinations for Bakken Crude Oil



Source: S&P Global Platts Analytics, East Daley

Table 2: US Williston Basin Crude Oil Export Options³

US Williston Basin Crude Oil Export Options - September 2021													
	Year End System Capacity, Barrels Per Day												
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022*
Butte Pipeline	118,000	145,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Butte Expansion (Q3 2014)	-	-	-	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Marathon Petroleum Mandan Refinery	58,000	58,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000	68,000
Enbridge Mainline North Dakota	161,500	185,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Enbridge Bakken Expansion Program	-	25,000	25,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Plains Bakken North (Up to 70,000 BOPD)	-	-	-	-	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Dakota Prairie Refinery (Q2 2015) (Proposed Conversion - No crude Q3-2015)	-	-	-	-	-	20,000	20,000	20,000	20,000	20,000	-	-	-
Davis Refinery (49,500 BOPD)*	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Transfer Partners Bakken Pipeline	-	-	-	-	-	-	-	520,000	570,000	600,000	600,000	600,000	600,000
ETP DAPL Expansion* (Exact Timeline Unavailable - Up to 500,000 bpd)	-	-	-	-	-	-	-	-	-	-	-	150,000	150,000
Bridger Expansion Project*	-	-	-	-	-	-	-	-	-	-	-	-	150,000
Kinder Morgan Double H Pipeline (Q1 2015)	-	-	-	-	-	84,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Pipeline/Refining Total	337,500	413,000	463,000	583,000	703,000	807,000	811,000	1,331,000	1,381,000	1,411,000	1,391,000	1,541,000	1,691,000
EOG Rail, Stanley, ND (Unit)	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Biourja, New Town, ND (Unit)	20,000	30,000	30,000	30,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
High Sierra, Donnybrook, ND (Manifest)	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-	-	-	-	-
Crestwood COLT Hub, Epping, ND (Unit)	-	-	120,000	120,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Hess Rail, Tioga, ND (Unit)	-	-	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Bakken Oil Express, Dickinson, ND (Unit)	-	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Savage Services, Trenton, ND (Unit)	-	-	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Enbridge, Berthold, ND (Unit)	-	-	10,000	80,000	80,000	80,000	80,000	-	-	-	-	-	-
Marathon Petroleum, Fryburg, ND (Unit)	-	-	-	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Musket, Dore, ND (Unit)	-	-	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	-	-	-
Plains, Ross, ND (Unit)	-	20,000	20,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Plains - Van Hook, New Town, ND (Unit)	-	-	35,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	-	-
Global/Basin Transload, Stampede, ND (Unit)	-	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Global/Basin Transload, Zap, ND (Unit: Capacity Estimate Not Confirmed)	-	20,000	40,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Enserco, Gascoyne, ND (Unit)	-	-	-	65,000	65,000	65,000	-	-	-	-	-	-	-
Palermo Rail Terminal, Palermo, ND (Q1 2016) (Unit)	-	-	-	-	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Northstar Transloading - Fairview, MT (Q3 2014) (Unit)	-	-	-	-	20,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Rail Loading Facility Only Total	95,000	245,000	740,000	1,150,000	1,260,000	1,420,000	1,510,000	1,365,000	1,365,000	1,365,000	1,295,000	1,230,000	1,230,000
All Transportation Total	432,500	658,000	1,203,000	1,733,000	1,963,000	2,227,000	2,321,000	2,696,000	2,746,000	2,776,000	2,686,000	2,771,000	2,921,000

*Project Still in the Review, Proposed, or Regulatory Phase

Dakota Access Pipeline (“DAPL”):

Dakota Access Pipeline consists of approximately 1,170 miles of pipeline traversing North Dakota, South Dakota, Iowa and Illinois. DAPL transports light sweet crude oil from the Bakken and Three Forks region in North Dakota to a major hub outside of Patoka, IL where it can be transported to refining markets throughout the Midwest and where it connects to the Energy Transfer Company (“ETCO”) pipeline for delivery to the Gulf Coast. The DAPL and ETCO pipelines are also referred to as the “Bakken Pipeline” collectively. The Bakken Pipeline is a joint venture between Energy Transfer Partners, MarEn Bakken Company LLC, and Phillips 66. It is operated by Dakota Access, LLC, a wholly owned subsidiary of Energy Transfer. In 2021, DAPL pipeline capacity increased from 570 MBbls/d to approximately 750 MBbls/d.⁴ According to the data in Table 2, this expansion brought the total pipeline capacity to move Bakken production out of the region to 1,541,000 per day, which significantly exceeds the production levels of 1,100 barrels per day in Table 1.

³ <https://northdakotapipelines.com/oil-transportation-table/>

⁴ <https://www.sec.gov/ix?doc=/Archives/edgar/data/1276187/000127618722000020/et-20211231.htm>

The additional potential expansions listed in Table 2 have not yet occurred. A map of DAPL is shown in Exhibit 2.

According to FERC data,⁵ there are six terminal hubs where crude oil is injected on the Dakota Access pipeline. Bakken origin location terminals include: Stanley, Mountrail County, ND; Ramberg, Williams County, ND; Epping, Williams County, ND; Trenton, Williams County, ND; Watford City, McKenzie County, ND; and Johnson's Corner, McKenzie County, ND. Alternatively, there are two (2) additional Bakken origin points: Alexander Junction, McKenzie County, ND and Trenton Junction, McKenzie County, ND. These terminal locations aggregate production from various gathering lines and via truck and rail for injection into the Dakota Access Pipeline system for longer haul transportation to markets.

Exhibit 2: Dakota Access Pipeline Map⁶



As an interstate pipeline, each April Dakota Access Pipeline, LLC files FERC Form No. 5: Annual Report of Oil Pipeline Companies, which contains the total volume of crude oil it receives in each calendar year. As shown in Table 3 below, crude oil received in North Dakota by Dakota Access Pipeline has averaged 516,869 barrels per day over the three-year period from 2019 to 2021, and ranged from a low of 469,373 per day in 2020 to a high of 565,781 barrels per day in 2019. The variability in crude oil receipts reflects changes in Bakken production levels, the option for participants to respond to market conditions and move crude oil to alternative locations such as Cushing, OK, as well as the DAPL pipeline capacity expansion in 2021.

⁵https://commoncarrier.energytransfer.com/InfoPost/CommonCarriers/resources/DAPL/Tariffs/DAPL_FERC_2.9.0.pdf?undefined=10

⁶<https://commoncarrier.energytransfer.com/ipost/DAPL>

Table 3: Number of Barrels of Crude Oil Received in North Dakota by Dakota Access Pipeline⁷

	2021	2020	2019	3-yr Avg
Total	188,140,204	171,321,238	206,510,223	188,657,222
per day	515,453	469,373	565,781	516,869

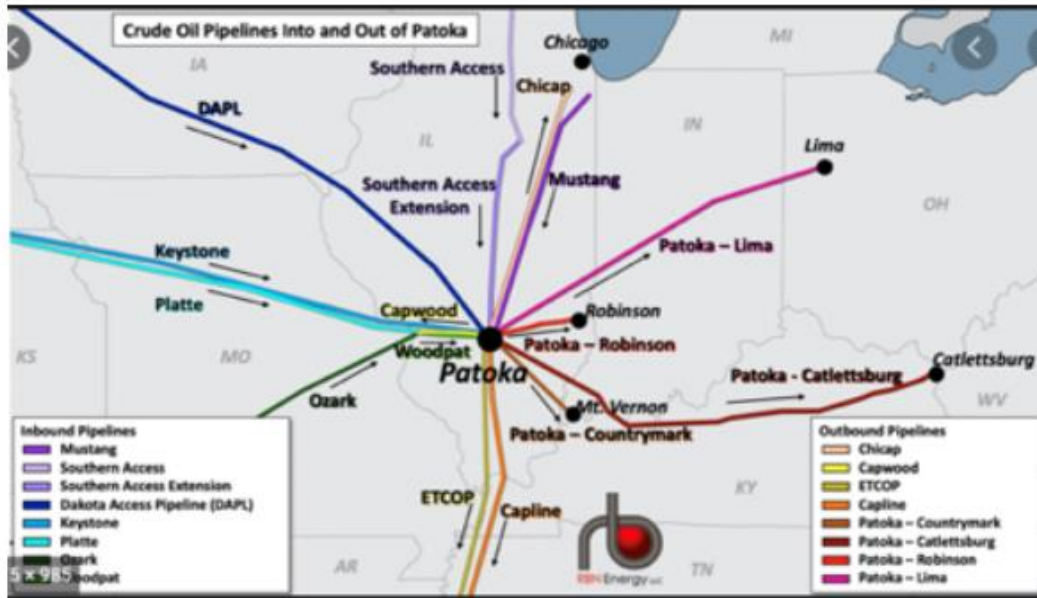
There is an active spot market for Bakken crude oil at the Dakota Access Pipeline injection points. The Argus assessment for Bakken DAPL is based on spot trades at these terminals and is published as a differential to WTI Calendar Month Average (“CMA”). Argus provides a daily cumulative monthly volume-weighted price for Bakken DAPL based on the volume-weighted average price of transactions completed throughout the trade month. Methodology is available at the following link: <https://www.argusmedia.com/-/media/Files/methodology/argus-americas-crude.ashx>

Bakken Patoka:

The DAPL pipeline flows directly from North Dakota to Patoka, Illinois. Patoka is a hub for the aggregation, blending and storage of crude oils with inbound pipelines from Canada, North Dakota, the Rockies, and Midwest, and outbound pipelines to Midwest Refineries and the Gulf Coast. Bakken crude oil at Patoka mainly arrives directly from the Bakken area via the DAPL pipeline, although Bakken crude oil may also arrive into Patoka via MPLX’s Wood River to Patoka Pipeline (“Woodpat”) via the Guernsey Hub. Patoka also receives crude oil of other qualities. A map of the pipelines delivering crude oil into and out of the Patoka Hub is shown in Exhibit 3.

⁷ FERC Form 6: Total Number of Barrels Received from North Dakota
2019: <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=0207A2C9-66E2-5005-8110-C31FAFC91712>
2020: <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=020CD094-66E2-5005-8110-C31FAFC91712>
2021: <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=D0D6DBEF-FA52-CD3B-90F0-802919000000>

Exhibit 3: RBN Energy Patoka Area Crude Oil Pipelines⁸



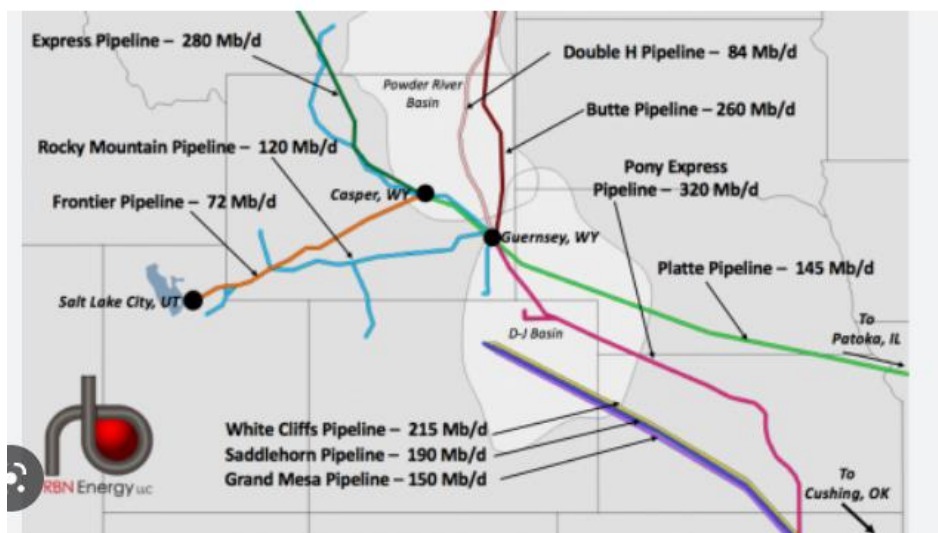
There is an active spot market for Bakken crude oil at Patoka. The Argus assessment for Bakken Patoka is based on spot trades at these terminals and is published as a differential to WTI Calendar Month Average (“CMA”). Argus provides a daily cumulative monthly volume-weighted price for Bakken Patoka based on the volume-weighted average price of transactions completed throughout the trade month. Methodology is available at the following link: <https://www.argusmedia.com/-/media/Files/methodology/argus-americas-crude.ashx>

Guernsey Hub Cash Market Overview

The Guernsey hub is located in Guernsey, Wyoming at the intersection of several pipeline and terminal points. Guernsey primarily receives light sweet crude oil from production areas in the Bakken, Denver Julesburg and Powder River plays, as well as heavy sour crude oil from Canada. From Guernsey, crude oil moves onto the Pony Express Pipeline (“PXP”) for delivery into Cushing, OK, and on the Platte Pipeline toward Patoka, IL and to other midwestern refining destinations. Exhibit 4 illustrates pipeline movements around Guernsey.

⁸ <https://www.sierraclub.org/illinois/illinois-pipelines>

Exhibit 4: RBN Energy Crude Oil Pipelines In & Out of Guernsey Hub⁹



According to Argus, Light Sweet Guernsey crude oil at the Guernsey hub ranges in API from 40 to 46 and has a sulfur content of less than 0.2%. Crude oil streams included as Light Sweet Guernsey include Rocky Mountain Sweet, Powder River Sweet and Bakken Light Sweet crudes.

Bakken Light Sweet production flows into the Guernsey Hub primarily via Bridger's Butte and Kinder Morgan's Hiland Double H pipeline systems, which have a combined capacity of approximately 328,000 barrels per day as shown in Table 2 above. According to industry experts, Bakken Light Sweet represents the majority of Light Sweet Guernsey crude oils.

Light Sweet Guernsey, Powder River Sweet and Rocky Mountain Sweet include volumes of light sweet crude oil primarily produced in Montana, Utah and Wyoming. Production in these states is reported by the EIA by a wider range of API than the Guernsey Hub specification. Over the last three years, production of crude oil in the 40.1 to 50 degrees API range has averaged 181,000 barrels per day, and is shown in Table 4 below. However, Light Sweet Guernsey is considered to have a narrower API range of 40-46 degrees, and the production volume cited by the EIA also includes other light sweet grades of crude oil such as Niobrara. Production from Montana, Wyoming and Utah is primarily gathered for transportation to the Guernsey Hub, or to distribution at regional refineries.

Table 4: EIA Production of Crude Oil and Lease Condensate Production for 40.1 to 50.0 Degrees API Gravity (Thousand Barrels per Day)¹⁰

	MT	UT	WY	Total
3 Yr	21	47	113	181
Sep-22	24	59	133	216
Aug-22	23	67	135	225
Jul-22	23	57	128	208
Jun-22	25	53	120	198
May-22	22	57	130	209
Apr-22	27	56	127	210
Mar-22	25	60	119	204
Feb-22	22	53	106	181
Jan-22	21	51	99	171

⁹https://www.google.com/search?q=Guernsey+pipeline+map&safe=active&rlz=1C1GCEA_enUS998US998&source=Inms&tbm=isch&sa=X&ved=2ahUKEwi558Llk_D8AhWtmGoFHWFHC1oQ_AUoAXoECAEQAw&biw=1536&bih=704&dpr=1.25#imgrc=eYQvkaF0qeVfhM

¹⁰ As of 1/30/2022: https://www.eia.gov/dnav/pet/pet_crd_api_adc_mbbldpd_m.htm

Dec-21	20	54	114	188
Nov-21	19	49	110	178
Oct-21	19	39	107	165
Sep-21	20	36	107	163
Aug-21	18	40	106	164
Jul-21	18	39	114	171
Jun-21	18	36	111	165
May-21	20	37	110	167
Apr-21	20	41	117	178
Mar-21	19	45	107	171
Feb-21	20	43	98	161
Jan-21	19	45	108	172
Dec-20	20	42	100	162
Nov-20	21	41	102	164
Oct-20	20	36	92	148
Sep-20	19	37	104	160
Aug-20	24	39	101	164
Jul-20	25	36	94	155
Jun-20	12	45	100	157
May-20	10	38	73	121
Apr-20	21	45	113	179
Mar-20	22	50	136	208
Feb-20	24	53	126	203
Jan-20	23	51	125	199
Dec-19	25	55	129	209
Nov-19	25	49	126	200
Oct-19	27	52	127	206

There is an active spot market for light sweet crude oil at the Guernsey Hub. The Argus assessment for Light Sweet Guernsey is based on spot transactions at six terminals in Guernsey, Wyoming: True Companies' Guernsey /Bridger Guernsey HUB, Plains' Ft Laramie, Kinder Morgan's HH, Enbridge's Platte, Silver Creek/Tallgrass' Powder River Gathering terminals and Tallgrass' Pony Express Terminal. Transactions for those four grades will be included in the respective determination of the high and low range for Light Sweet Guernsey. The Argus assessment for Light Sweet Guernsey is published as a differential to WTI Calendar Month Average ("CMA"). Argus provides a daily cumulative monthly volume-weighted price for Light Sweet Guernsey based on the volume-weighted average price of transactions completed throughout the trade month. Methodology is available at the following link: <https://www.argusmedia.com/-/media/Files/methodology/argus-america-crude.ashx>

Analysis of Deliverable Supply

Bakken DAPL and Bakken Patoka

For Bakken DAPL and Bakken Patoka, the Exchange has determined to base its deliverable supply estimate on the portion of Bakken production that is available for aggregation at DAPL receipt points for delivery to markets at Patoka and beyond. As this volume is not published publicly, the Exchange has estimated this volume based on production data from the Bakken, pipeline capacity, and confirmed the estimates with secondary sources.

Based on data from the North Dakota Department of Mineral Resources, Bakken Crude Oil production has averaged 1,100 thousand barrels per day over the last three (3) years. Monthly production volumes are shown in Table 1. There is one local refinery, Marathon Mandan, with a capacity of 68 thousand barrels per day as shown in Table 2 above. Given normal refining industry operating rate of 90%, this leaves 1039 thousand barrels per day (1,100 – 68*.90) of Bakken production to transport out of the region.

According to the volumes in Table 2, DAPL capacity represents 51% of the pipeline capacity delivering Williston Basin crude oil to markets ($750 / (355+750+88+240+40)$). This suggests 529.89 thousand barrels per day of crude oil ($51\% \times 1039$) is available for aggregation and receipt at DAPL receipt terminals and delivery into Patoka, IL. Dakota Access, LLC also files Form 6 – Annual Report of Pipeline Companies – with the Federal Energy Regulatory Commission (“FERC”). According to this data, in 2021 188,140,204 barrels (or 515,453 barrels per day) of crude oil was received by the pipeline in North Dakota, which is in line with the exchange estimates of deliverable supply. The Exchange examined historical data of actual pipeline movements on DAPL as shown in Table 3.

For Bakken Patoka and Bakken DAPL, 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. 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.

The proposed spot month position limit of the Bakken DAPL (Argus) Monthly Futures contract is 2,000 contracts. The Exchange’s deliverable supply estimate, which is based on pipeline delivery estimates, is 529,890 barrels per day, or 15.897 million barrels per month which is equal to 15,897 contracts. Consequently, the spot month limit of 2,000 contracts represents 12.58% of deliverable supply.

The proposed spot month position limit of the Bakken Patoka (Argus) Monthly Futures contract is 2,000 contracts. The Exchange’s deliverable supply estimate, which is based on pipeline delivery estimates, is 529,890 barrels per day, or 15.897 million barrels per month which is equal to 15,897 contracts. Consequently, the spot month limit of 2,000 contracts represents 12.58% of deliverable supply.

Light Sweet Guernsey

For the assessment of deliverable supply for Light Sweet Guernsey at the Guernsey Hub, the Exchange has determined to base its deliverable supply estimate on the portion Light Sweet crude production that is available at the Guernsey Hub. As this volume is not published publicly, the Exchange has estimated this volume based on production data, pipeline capacity, and confirmed the estimates with secondary sources.

Based on data from the North Dakota Department of Mineral Resources, Bakken Crude Oil production has averaged 1,100 thousand barrels per day over the last three years. Monthly production volumes are shown in Table 1 above. There is one local refinery, Marathon Mandan, with a capacity of 68 thousand barrels per day as shown in Table 2 above. Given normal refining industry operating rate of 90%, this leaves 1039 thousand barrels per day of Bakken production to transport out of the region.

According to the volumes in Table 2, the 328,000 barrel per day capacity of Butte and Double H pipelines that carry Bakken crude oil from North Dakota to Guernsey represents 22.27% of the pipeline capacity delivering Williston Basin crude oil to markets ($(240+88) / 355+750+88+240+40$). This suggests 231.39 thousand barrels per day of crude oil ($22.27\% \times 1039$) of Bakken Light Sweet crude oil is available at Guernsey. The exchange confirmed with industry experts that this volume also aligns with the volume of Bakken Light Sweet that flows out of Guernsey hub to the Cushing, OK area.

The Exchange considered including in its estimate of deliverable supply of Light Sweet Guernsey the portion of Light Sweet Guernsey, Rocky Mountain Sweet and Powder River Sweet crude streams that are available at the Guernsey Hub. However, the production volumes for these crude oil streams are not publicly available. Further, there is significant refining capacity within the producing regions that may consume these crude oils prior to reaching the Guernsey Hub. Thus, the Exchange has conservatively determined to exclude these crude oils in the analysis of deliverable supply.

For light sweet crude oil traded at Guernsey, 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. 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.

The proposed spot month position limit of the Guernsey Light Sweet (Argus) Monthly Futures contract is 1,000 contracts. The Exchange's deliverable supply estimate, which is based on pipeline delivery estimates, is 231,390 barrels per day, or 6.942 million barrels per month which is equal to 6,942 contracts. Consequently, the spot month limit of 1,000 contracts represents 14.4% of deliverable supply.