



Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

June 8, 2012

VIA E-MAIL

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

**RE: Modifications to the Light Sweet Crude Oil ETH Market Making Incentive Program
NYMEX Submission No. 12-165**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc. ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of modifications to the Light Sweet Crude Oil ETH Market Making Incentive Program ("Program"). The proposed modifications to the Program will become effective on July 1, 2012.

Exhibit 1 sets forth the terms of this Program. The modifications appear below, with additions underscored and ~~deletions overstruck~~.

NYMEX business staff responsible for the Program and the NYMEX legal department collectively reviewed the designated contract market core principles ("Core Principles") as set forth in the Commodities Exchange Act ("CEA"). During the review, NYMEX staff identified the following Core Principles as potentially being impacted; Prevention of Market Disruption, Execution of Transactions, Protection of Market Participants, Compliance with Rules and Recordkeeping.

The Program and proposed modifications will not impact the Exchange's ability to perform its trade practice and market surveillance obligations under the CEA and the Exchange's market regulation staff will continue to monitor all market participants that trade the Program's products to prevent manipulative trading and market abuse. Additionally, the Exchange has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by NYMEX staff using criteria as further stated in Exhibit 1. Chapter 4 of the NYMEX rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. All participants must execute a contractual agreement with NYMEX in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. The Program will be subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the CEA and the regulations thereunder. There were no substantive opposing views to this Program.

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

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If you require any additional information regarding this submission, please contact Robert Lev at 312-930-3019 or via e-mail at robert.lev@cmegroup.com, or contact me at 212-299-2200. Please reference our NYMEX Submission No. 12-165 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

Light Sweet Crude Oil Futures Market Maker Incentive Program

Program Purpose

The purpose of the Program is to incentivize market makers to quote Light Sweet Crude Oil Futures during extended trading hours on the CME Globex Platform. All market participants benefit from having liquid markets during extended trading hours.

Product Scope

Light Sweet Crude Oil Futures traded on the CME Globex Platform ("Products").

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants must also be registered in the International Incentive Program. NYMEX, in its sole discretion, will use a variety of factors in determining whether or not a prospective participant is selected to participate in the Program, including the prospective participant historically trading high average levels volume in the Products on the CME Globex Platform and the prospective participant historically trading a high percentage of volume in outright and spreads in the Products on the Globex Platform as resting volume during ETH and/or ATH. Additionally, participants in the Program may not participate in any other incentive program covering the Products. NYMEX may, from time to time, add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is February 28, 2012. End date is ~~June 30, 2012~~ December 31, 2012.

Hours

ETH, RTH, ATH

Obligations

Quoting Requirements. Participants in the Program must quote continuous two-sided markets in agreed upon spreads in the Products at contracted maximum bid/offer spreads and contracted quote sizes during ETH.

Incentives

Upon satisfying all Program obligations, as determined by the Exchange, each Program participant shall be eligible for the following incentives:

Fee Waivers/Discounts. Program participants will be entitled to receive predetermined fee discounts for the Products that are traded on the CME Globex Platform.

Monitoring and Termination of Status

The Exchange shall monitor trading activity and participants' performance and shall retain the right to revoke Program participant status if it concludes from review that a Program participant no longer meets the eligibility requirements of the Program.