

October 26, 2009

OFFICE OF THE SECRETARIAT
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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: Rule Certification. New York Mercantile Exchange, Inc. Submission 09-220: Listing of Three New Petroleum Futures Contracts for Clearing on NYMEX ClearPort® and Trading on the NYMEX Trading Floor

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of three (3) new financially settled petroleum futures contracts for trading on the NYMEX trading floor and for submission for clearing on CME ClearPort.

The contracts will be listed on the NYMEX trading floor beginning at 9:00 a.m. on Monday, November 02, 2009 and the clearing system beginning at 6:00 p.m. on Sunday, November 01, 2009 for trade date Monday, November 02, 2009.

The new petroleum contracts, commodity codes and rule chapters are as follows:

<u>Contracts</u>	<u>Code</u>	<u>Rule Chapter</u>
Crude Oil Last Day Financial Futures	26	828
Heating Oil Last Day Financial Futures	23	829
RBOB Last Day Financial Futures	27	830

These new petroleum contracts will be available during normal trading hours on the NYMEX trading floor from 9:00 a.m. until 2:30 p.m. (New York prevailing time). Clearing is conducted from 6:00 p.m. Sunday until 5:15 p.m. Friday (New York prevailing time). There is a 45-minute halt in trading each day between 5:15 p.m. (current trade date) and 6:00 p.m. (next trade date).

The first listed month for these contracts will be the December 2009 contract month. The three products will be cash-settled. The crude oil contract will be listed for nine years forward using the following listing schedule: consecutive months are listed for the current year and the next five years; in addition, the June and December contract months are listed beyond the sixth year. Additional contract months will be added on an annual basis after the expiration of the December contract, so that (1) an additional June contract and December contract are added nine years forward, and (2) consecutive contract months in the sixth calendar year are filled in. With regard to the heating oil contract, consecutive contract months will be listed through August 2012. The RBOB contract will be listed for 36 consecutive contract months.

In addition, the Exchange will allow exchange of futures for physical ("EFP") and exchange of futures for risk ("EFR") transactions to be submitted through the CME ClearPort. The EFP and EFR transactions in these futures contracts will be governed by the provisions of Exchange Rule 538.

Although the supplemental market information attached herewith includes the recommended position limits, a separate filing will be submitted to the Commission to self-certify those position limits.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rules 40.2 and 40.6, the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. The effective date shall be trade date Monday, November 2, 2009.

Should you have any questions concerning the above, please contact Daniel Brusstar at (212) 299-2604 or me at (312) 648-5422.

Sincerely,

/s/ Stephen M. Szarmack
Director and Associate General Counsel

Attachments: Contract terms and conditions
Supplemental Market Information

Chapter 828 Crude Oil Last Day Financial Futures

828.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

828.02. FLOATING PRICE

The Floating Price for each contract month shall be equal to the NYMEX Light "Sweet" Crude Oil Futures first nearby contract settlement price on the last trading day for the contract month.

828.03. CONTRACT QUANTITY AND VALUE

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.

828.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

828.05. PRICES AND FLUCTUATIONS

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.

828.06. TERMINATION OF TRADING

Trading in the current contract month shall cease on the third business day prior to the twenty-fifth calendar day of the month preceding the contract month. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day.

828.07. FINAL SETTLEMENT

Delivery 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.

828.08. EXCHANGE FOR RELATED POSITIONS

An Exchange for Physical ("EFP") transaction and an Exchange for Risk ("EFR") transaction, collectively referred to as an Exchange for Related Position ("EFRP"), shall be governed by the provisions of Exchange Rule 538.

828.09. DISCLAIMER

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Chapter 829 Heating Oil Last Day Financial Futures

829.01. SCOPE

The provisions of these Rules shall apply to all contracts listed on the Exchange for cash settlement based on the Floating Price.

829.02. FLOATING PRICE

The Floating Price is equal to the NYMEX New York Harbor Heating Oil Futures first nearby contract settlement price on the last trading day for the contract month.

829.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 42,000 U.S. gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

829.04. CONTRACT MONTHS

Transactions shall be conducted in contracts in such months as shall be determined by the Exchange.

829.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon. There shall be no maximum price fluctuation.

829.06. TERMINATION OF TRADING

Trading in a current contract month shall cease on the last business day of the month preceding the contract month.

829.07. FINAL SETTLEMENT

Delivery 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.

829.08. EXCHANGE FOR RELATED POSITIONS

An Exchange for Physical ("EFP") transaction and an Exchange for Risk ("EFR") transaction, collectively referred to as an Exchange for Related Position ("EFRP"), shall be governed by the provisions of Exchange Rule 538.

829.09. DISCLAIMER

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Chapter 830 RBOB Last Day Financial Futures

830.01. SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

830.02. FLOATING PRICE

The Floating Price is equal to the NYMEX Gasoline Blendstock RBOB Futures first nearby contract settlement price on the last trading day for the contract month.

830.03. CONTRACT QUANTITY AND VALUE

The contract quantity shall be 42,000 U.S. gallons. Each contract shall be valued as the contract quantity (42,000) multiplied by the settlement price.

830.04. CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

830.05. PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per gallon. The minimum price fluctuation shall be \$0.0001 per gallon. There shall be no maximum price fluctuation.

830.06. TERMINATION OF TRADING

Trading in a current contract month shall cease on the last business day of the month preceding the contract month.

830.07. FINAL SETTLEMENT

Delivery 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.

830.08. EXCHANGE FOR RELATED POSITIONS

An Exchange for Physical ("EFP") transaction and an Exchange for Risk ("EFR") transaction, collectively referred to as an Exchange for Related Position ("EFRP"), shall be governed by the provisions of Exchange Rule 538.

830.09. DISCLAIMER

NEW YORK MERCANTILE EXCHANGE, INC. AND ITS AFFILIATES ("NYMEX") DOES NOT GUARANTEE THE ACCURACY AND/OR COMPLETENESS OF THE INDEX OR ANY OF THE DATA INCLUDED THEREIN. NYMEX MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM USE OF THE INDEX, TRADING BASED ON THE INDEX, OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH THE TRADING OF THE CONTRACT, OR, FOR ANY OTHER USE. NYMEX MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL NYMEX 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.

Supplemental Market Information

WTI Crude Oil Market

Description

The West Texas Intermediate ("WTI") crude oil market, also called "domestic sweet", is traded at the hub in Cushing, Oklahoma which consists of storage facilities and major pipelines for distribution of crude oil from West Texas to refineries in the Midcontinent. The production of domestic sweet WTI is mainly centered in West Texas. According to estimates from Purvin & Gertz, an independent energy industry consultancy, and other industry sources, daily deliverable supply of domestic sweet WTI is comprised of approximately 500,000 barrels. The demand for WTI crude oil is supplied by refineries located in Texas, Oklahoma, and the Midcontinent.

The estimated trading volume of WTI crude oil in the Cushing cash market is approximately 4.0 million to 5.0 million barrels per day. The typical transaction size is 30,000 barrels, with hundreds of separate transactions conducted daily. In addition, all domestic crude oil grades, such as LLS, Mars and WTS, are traded and priced at a differential to WTI, and consequently, every physical crude oil transaction in the U.S. crude oil market involves a buy/sell transaction with WTI as one leg in the cash transaction. Typically, the crude oil cash market uses WTI as a unit of currency to establish a differential between WTI and other domestic grades. The volume of spot transactions is more than half of all cash transactions, and the balance of trades are longer-term contracts. There is active trading in forward cash deals at the Cushing trading hub. Additionally, based on conversations with over-the-counter (OTC) market participants, the OTC market for WTI crude oil is very active and highly robust.

Market Participants

The WTI crude oil cash market and OTC market participants are diverse and include around 40 to 50 commercial companies. A partial listing is as follows:

<u>Refiners</u>	<u>Traders/Importers</u>	<u>Brokers</u>	<u>Financial (Swaps)</u>
ConocoPhillips	Occidental Petroleum	United	Citibank
Valero	Vitol	GFI Starsupply	Deutsche Bank
Shell	Glencore	United	Barclays
ExxonMobil	Plains	PVM	BankAmerica
BP	Koch	United	Wachovia Bank
Sunoco	Cargill	ARC Oil	JP Morgan Chase
Amerada Hess	Morgan Stanley	Oil Brokers Inc.	Credit Suisse Bank
Marathon	Goldman Sachs (J. Aron)		
Murphy Oil	Trafigura		
Chevron	Hess Energy Trading		
Total	Conagra		
	SemGroup		
	Anadarko		
	BHP Billiton		

Speculative Limits for Crude Oil contracts

The Exchange has set the speculative limits for the Crude Oil Last Day Financial Futures contract at 3,000 contracts (equivalent to three million barrels) which is less than 20% of the monthly deliverable supply.

New York Harbor Market

Description

The New York Harbor gasoline and distillate fuel markets are highly diverse and actively traded by refiners, traders, importers, and smaller distributors. Below is a list of the market participants, including

the New York Harbor fuel distributors that are active in the cash market. The Department of Energy's *Energy Information Administration* (EIA) is the main source for data related to the underlying cash markets.

The New York Harbor gasoline market is an active trading and import hub for gasoline, with gasoline imports of over 500,000 barrels per day. The metropolitan New York-New Jersey-Connecticut area consumes over 500,000 barrels per day of Reformulated Gasoline using a 10% blend of ethanol (RBOB refers to the Reformulated Gasoline Blend stock prior to the addition of 10% ethanol). In addition, gasoline imports are transshipped through New York Harbor to other points in the Northeast, including Upstate New York and Connecticut. The estimated daily trading volume of gasoline in the New York Harbor cash market is approximately 750,000 barrels per day.

The EIA data on stocks for gasoline and heating oil are available by Padd and for the Central Atlantic region (where the New York Harbor is located) at the link below:

http://tonto.eia.doe.gov/dnav/pet/pet_stoc_wstk_dcu_r1y_w.htm

The EIA demand data for gasoline and No. 2 Fuel Oil (heating oil) on a state-by-state basis can be viewed at the link below:

http://tonto.eia.doe.gov/dnav/pet/pet_cons_prim_dcu_SNY_m.htm

The weekly EIA imports data are available by Padd at the link below:

http://tonto.eia.doe.gov/dnav/pet/pet_move_wkly_dc_R10-Z00_mbbldp_w.htm

The distillates market is composed of the heating oil, diesel fuel, and jet fuel. The daily demand for heating oil in the New York metropolitan area is approximately 200,000 to 250,000 barrels. The heating oil consists of the higher sulfur quality for off-road use, mainly heating usage. The sources of distillate supply include local refineries, imports, and the Colonial Pipeline from Houston. The trading volume in the New York Harbor heating oil cash market is around 500,000 to 750,000 barrels per day. The typical transaction size in the distillate cash market is 25,000 barrels. Most of the cash deals are spot transactions. The typical bid/ask spread is one-quarter cent (i.e., 25 points or \$0.0025). There are extensive data available on stocks and imports from the American Petroleum Institute and the EIA.

Market Participants

The New York Harbor cash market and OTC market participants are diverse and number around 25 to 30 commercial companies. A partial listing is as follows:

<u>Refiners</u>	<u>Traders/Importers</u>	<u>Brokers</u>	<u>Financial (Swaps)</u>
ConocoPhillips	Statoil	GFI Starsupply	Citibank
Valero	Vitol	First National	Deutsche Bank
Shell	Glencore	Echo Energy	Barclays
ExxonMobil	Northville	PVM	BankAmerica
BP	Koch	United	BNP Paribas
Sunoco	Cargill	ICAP	
Amerada Hess	Morgan Stanley	ARC Oil	
Citgo	Goldman Sachs (J. Aron)	Allied Fuels	
Chevron	Irving Oil	Oil Brokers Inc.	
	Lukoil Getty	MOAB	
	Global		
	Sprague		
	Hess Energy Trading		
	George E. Warren		
	Total		

Speculative Limits for New York Harbor contracts

The Exchange has set the speculative limits for each of the New York Harbor, Heating Oil Last Day Financial Futures and RBOB Last Day Financial Futures contracts at 1,000 contracts (equivalent to one million barrels) which is equivalent to approximately 8% of the gasoline market and 15% of the heating oil market.