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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

December 20, 2011

OFFICE OF THE
SECRETARIAT

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: NYMEX Crude Oil Spread Market Making Incentive Program
Submission No. 11-500**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") that it plans to implement a Crude Oil Spread Market Making Incentive Program ("Program"). This proposed Program will become effective on January 6, 2012.

Exhibit 1 sets forth the terms of this Program.

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 proposed Program will not impact the Exchange's ability to perform their 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 proposed 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 proposed Program will be subject to the Exchange's record retention policies which comply with the CEA.

NYMEX certifies that the Program complies with the Commodity Exchange Act 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. 11-500 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

NYMEX Crude Oil Spread Market Maker Incentive Program

Program Purpose

The purpose of this Program is to incentivize market makers to provide liquidity in the products listed below. The resulting central limit order book liquidity benefits all participants in the market.

Product Scope

Brent Last Day Futures (BZ) and Crude Oil Futures (CL) that are traded on the CME Globex Platform ("Products").

Eligible Participants

NYMEX may designate up to three (3) participants in the Program. Participants may be NYMEX members or non-members. 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's historically trading high average levels volume in Brent Last Day Futures (BZ) and Crude Oil Futures on the CME Globex Platform, the prospective participant historically trading a high percentage of volume in the Products as resting volume and the prospective participant historically transacting volume in the Products during extended trading hours. NYMEX may, from time to time, add or subtract from the aforementioned factors as it deems necessary.

Program Term

Start date is January 6, 2012. End date is June 30, 2012.

Hours

ETH, RTH, ATH

Obligations

Quoting Requirements. Participants in the Program must quote continuous two-sided markets in the Products and in the BZ/CL Cross spreads at contracted maximum bid/offer spreads and contracted quote sizes during a combination of ETH, RTH and ATH.

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 waivers or fee discounts for Brent Last Day Futures, Crude Oil Futures and Brent Last Day Futures/Crude Oil Futures spread contracts 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.