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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

OFFICE OF THE
SECRETARIAT

December 20, 2011

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 Volume Incentive Program for NYMEX Energy
Products
NYMEX Submission No. 11-501**

Dear Mr. Stawick:

New York Mercantile Exchange, Inc ("NYMEX" or "the Exchange") hereby notifies the Commodity Futures Trading Commission ("Commission") of modifications to a volume incentive program in support of certain NYMEX Energy contracts that are traded on CME Globex® ("Program"). The proposed modifications to the Program will become effective on January 6, 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; Monitoring of Trading, 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 has implemented systems to track Program participants' volume to ensure proper distribution of earned incentives. The tiered incentives in the Program do not impact the Exchange's order execution. Participants in the Program will be selected by Exchange staff using criteria as further stated in Exhibit 1. All participants must execute a contractual agreement with the Exchange in which each participant will expressly agree to comply with and be subject to, applicable regulations and NYMEX rules. Chapter 4 of the Exchange rules includes prohibitions against fraudulent, non-competitive, unfair or abusive practices. The Program is 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. 11-501 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Enclosure

EXHIBIT 1

VOLUME INCENTIVE PROGRAM FOR NYMEX ENERGY PRODUCTS

Program Purpose

The purpose of this Program is to encourage large market participants to increase their Globex® volume enhancing market liquidity for the products listed below. A more liquid contract benefits all participants in the market.

Product Scope

Light Sweet Crude Oil futures, Natural Gas Futures, Heating Oil Futures, and RBOB Gasoline futures that are traded on the CME Globex® Platform ("Products").

Eligible Participants

There is no limit to the number of participants under 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 participants' overall historical volume in the Products that are traded on the CME Globex® Platform, the prospective participants' ability to commit to maintain a certain percentage of volume in the above-referenced products as resting volume, and the prospective participants' historical volume in NYMEX energy contracts, other than those previously mentioned above. NYMEX may, from time to time, add or subtract from the above factors as it deems necessary.

Program Term

Start date is October 19, 2011. End date is ~~December 31, 2011~~ June 30, 2012.

Hours

N/A

Progressive Tiered Volume Incentives

Once accepted into the Program, participants will be eligible to participate in progressive tiered volume incentives whereby participants may be charged a reduced fee rate for the Products that a participant trades on the CME Globex® Platform during regular trading hours. The progressive tiered volume levels are predetermined by NYMEX and are based on a participant's combined daily volume of contracts in the Products on the CME Globex® Platform measured during an applicable calendar month.

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.