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Christopher Bowen
Managing Director and Chief Regulatory Counsel
Legal Department

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: NYMEX Floor-Traded and Globex® Traded Energy Options
Incentive Program
NYMEX Submission No. 11-513**

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 an incentive program in support of Energy Options that are traded on the NYMEX trading floor and on Globex® ("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>

Mr. David Stawick
Page 2
December 20, 2011

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. 11-513 in any related correspondence.

Sincerely,

/s/ Christopher Bowen
Managing Director, Chief Regulatory Counsel

Attachments

EXHIBIT 1

NYMEX Floor-Traded and Globex® Traded Energy Options Incentive Program

Program Purpose

The purpose of this Program is to incentivize volume and liquidity in certain NYMEX energy options that are traded via open outcry and on Globex®. The resulting liquidity in the products listed below benefits all participants in the marketplace.

Product Scope

The following NYMEX floor traded and Globex® traded products ("Products"):

Globex: European Crude Oil Options; European Natural Gas Options; Crude Oil Options; Henry Hub Natural Gas Options.

Trading Floor: Crude Oil APO; European Crude Oil Options; European Natural Gas Options; Crude Oil Options; Henry Hub Natural Gas Options.

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 select participants based on the prospective participant's overall historical performance in European Crude Oil Options, European Natural Gas Options, Crude Oil Options and Henry Hub Natural Gas Options traded on the NYMEX trading Floor.

Program Term

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

Hours

N/A

Volume Incentives

Once accepted into the Program, participants will be eligible to participate in volume discount incentives whereby participants may be charged a reduced fee rate for the Products that a participant trades on the CME Globex® platform and via open outcry. The progressive tiered discounted rates are predetermined by NYMEX and are based on a participant's combined daily volume of contracts in the Products on the CME Globex® platform and traded on the NYMEX trading floor.

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.