

**CHAPTER 18
CASH-SETTLED UNLEADED GASOLINE FUTURES CONTRACT
NEW YORK HARBOR DELIVERY**

1801. Scope of the Contract

All trading in ME Cash-Settled Unleaded Gasoline Futures Contracts shall be conducted pursuant to the requirements of this chapter and the general Rules of the Exchange.

1802. Commodity Specifications

A Cash-Settled Unleaded Gasoline Futures Contract is valued on the basis of unleaded gasoline having the grade and quality specifications set out in Rule 1803(g).

1803. Futures Specifications for ME Cash-Settled Unleaded Gasoline Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each of the next 12 months following the current calendar month. Trading in any month shall be conducted during such hours as set forth from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$0.0001 (.01 cent) per gallon (\$4.20) per contract.

(c) Trading Unit: 1,000 barrels (42,000 U.S. gallons), with a permissible delivery tolerance of two percent (2%) above or below the contract unit.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading on the last business day of the month preceding the delivery month.

(f) Speculative Position Limits:

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|------------------------|--|
| • Spot-month limit | 15,000 contracts, 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | 15,000 contracts |
| • All months combined | 21,000 contracts |

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(g) Grade and Quality Specifications: The contract is based upon a hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter and conforming to the specifications in effect at the Colonial Pipeline Company (Atlanta, Georgia) at the time of expiration for:

(i) Fungible A Grade, 87 Octane Index Gasoline or any other fungible grade 87 Octane Index Gasoline listed by the Colonial Pipeline as being properly designated for sale as Reformulated Gasoline (in New York Harbor) in accordance with U.S. Environmental Protection Agency (EPA) regulations; provided, however, and notwithstanding anything to the contrary in the Colonial Pipeline Specifications, the specifications set forth in Subsections (i)(1) through (i)(6) below shall apply for the gravity, lead content, octane, Reid Vapor Pressure, and EPA Reformulated Gasoline requirements:

(1) Gravity: A.P.I. 52 degrees minimum (A.S.T.M. Test Method D287).

(2) Lead: maximum 0.03 grams per gallon (A.S.T.M. Test Method D2599 or equivalent)

(3) Octane: (RON+MON/2) maximum less than 91.0. All other octane specifications shall conform to the Colonial Pipeline Company specifications then in effect.

(4) Reid Vapor Pressure: Gasoline delivered pursuant to this contract shall have Reid Vapor Pressure no greater than the following maximum levels:

<u>Month</u>	<u>p.s.i.</u>	<u>Month</u>	<u>p.s.i.</u>
January	15.0	July	9.0
February	15.0	August	9.0
March	13.5	September 1-15	9.0
April	9.0	September 16-30	13.5
May	9.0	October	13.5
June	9.0	November	15.0
		December	15.0

Provided that, deliveries on the September contract originally nominated for delivery on or before September 15th shall not exceed 9.0 p.s.i.; regardless of the time of actual delivery.

(5) EPA Reformulated Gasoline Requirements (effective for delivery through September 2000 and thereafter to EPA's Phase II Complex Model Reformulated Gasoline):

(A) Subject to the provisions of paragraph (iii) of this Subsection, deliveries shall comply with the following averaged minimum and maximum standards set forth in 40 C.F.R. Section 80.41 effective through September 2000:

Oxygen	Benzene
1.7% minimum by weight	1.3% maximum by volume

(B) In addition, subject to the provisions of paragraph (C) of this subsection, all Reformulated Gasoline designated as VOC-Controlled also shall comply with the following standard set forth in 40 C.F.R. Section 80.41 effective through September 2000:

VOC Emissions Performance

A decrease of not less than 23.4% from the Emissions Performance of EPA's 1990 Baseline Fuel.

(C) Each of the standards in paragraphs (i) and (ii) of this Subsection shall be adjusted by the amount of any increase or decrease in such standards required by EPA for Reformulated Gasoline sold or distributed for consumption in the New York Harbor area pursuant to the provisions of 40 C.F.R. sections 80.41(k) through (q).

(6) Gasoline deliveries shall comply at all times with EPA Reformulated Gasoline requirements, including the minimum and maximum standards set forth in 40 C.F.R. Part 80 as are in effect for downstream parties at the time and place of delivery, and shall be adjusted by the amount of any increase or decrease in such standards as required by EPA for Reformulated Gasoline sold and distributed for consumption in the New York Harbor area. In the event that New Jersey takes action to amend the oxygen standard for gasoline sold for consumption in Northern New Jersey, gasoline deliveries shall comply with New Jersey requirements for oxygen content for gasoline sold for consumption as are in effect at the time and place of delivery, to the extent that such State requirements are not superseded by EPA requirements for gasoline sold for consumption in Northern New Jersey.

(ii) Gasoline shall be designated as VOC-Controlled Reformulated Gasoline in accordance with EPA regulations during the period April 1 through September 15, including any deliveries on the September contract originally nominated for delivery on or before September 15, regardless of the date of actual delivery.

For the purpose of this contract, all test shall be performed in accordance with EPA regulations. Enforcement tolerances, as permitted by EPA for downstream parties, shall apply to all specifications governed by EPA regulations. For the purpose of this contract, "A.S.T.M." refers to the American Society for Testing Materials and "A.P.I." refers to the American Petroleum Institute.

1804. Reportable Positions

Any Trading Privilege Holder who is long or short 150 or more contracts of a particular Cash-Settled Unleaded Gasoline Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1805. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1805(c).

(b) EFP or EFS: An EFP or EFS may be transacted on the last trading day only to reduce or offset an open position in the contract, and notice of the EFP must be given in accordance with Clearing House procedures no later than 2 hours before trading ends on such trading day. An EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange Unleaded Gasoline Settlement Price (EUGSP). The final settlement price for contracts held to expiration will be calculated following the close of trading on the last trading day from an average of cash market prices for transactions in unleaded gasoline reported done basis New York Harbor as reported by oil industry price reporting services, and will include the following elements:

(i) Prices for current month cash market trades reported for the last day of trading in the expiring futures contract; and

(ii) A straight average of all cash market price assessments reported by energy reporting services for the last day of trading in the expiring futures contract.

The settlement price so calculated will be transmitted to the Clearing House and to all Clearing Members, and published on the Trading System no later than 6:00 a.m. (C.T.) on the business day immediately following the last day of trading in the expiring Contract.

(d) Notional Cash Unleaded Gasoline Price: As a service, the Exchange will publish a notional cash market unleaded gasoline price based on the same elements used in calculating the final settlement price for the last day of trading in an expiring Contract. This notional cash unleaded gasoline price (NCUGP) will be published every trading day, and be based on the previous day's cash market activity.

Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin in such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.

CHAPTER 17
CASH-SETTLED NO. 2 HEATING OIL FUTURES CONTRACT
NEW YORK HARBOR DELIVERY

1701. Scope of the Contract

All trading in ME Cash-Settled No. 2 Heating Oil Futures Contracts shall be conducted pursuant to the requirements of this chapter and the general Rules of the Exchange.

1702. Commodity Specifications

A Cash-Settled No. 2 Heating Oil Futures Contract is valued on the basis of No. 2 heating oil having the grade and quality specifications set out in Rule 1703(g).

1703. Futures Specifications for ME Cash-Settled No. 2 Heating Oil Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each month for the next 18 months following the current calendar month. Trading in any month shall be conducted during such hours as set forth from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$0.0001 (.01 cent) per gallon (\$4.20) per contract.

(c) Trading Unit: 1,000 barrels (42,000 U.S. gallons), with a permissible delivery tolerance of two percent (2%) above or below the contract unit.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading on the last business day of the month preceding the delivery month.

(f) Speculative Position Limits:

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|------------------------|--|
| • Spot-month limit | 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | None |
| • All months combined | 21,000 contracts |

(g) Grade and Quality Specifications: For purposes of this Contract, "gas oil" means hydrocarbon oil free from alkali, mineral acid, grit, fibrous or other foreign matter. The

Contract is based upon gas oil that is No. 2 heating oil having the following physical and chemical properties:

- (i) Gravity: A.P.I. 30° F minimum (A.S.T.M. Test Method D287)
- (ii) Flash: 130° F minimum (A.S.T.M. Test Method D93)
- (iii) Viscosity: Kinematic, Centistokes at 100° F, minimum 2.0, maximum 3.6 (A.S.T.M. Test Method D445)
- (iv) Water and Sediment: .05% maximum (A.S.T.M. Test Method D1796 or D2709)
- (v) Pour Point: 0° F maximum for contract months September through March; 10° F maximum for contract months April through August, (A.S.T.M. Test Method D97)
- (vi) Distillation: 10% Point, 480° F maximum; 90% Point, 640° F maximum, End Point 690° F maximum (A.S.T.M. Test Method D86)
- (vii) Sulfur: 0.20% maximum (A.S.T.M. Test Method D129, D1552, D1266, D2622, or D4294)
- (viii) Stability:
 - (A) Thermal Stability: 90 minutes 300° F Pad rating 7 maximum (Dupont Test Method); or
 - (B) Oxidation Stability: mg/100ml., 2.5 maximum (A.S.T.M. Test Method D2274)
- (ix) Haze Rating: 25° C (77° F), Procedure 2, 2 maximum (A.S.T.M. Test Method D4176)
- (x) Carbon Residue: Weight % on 10% Bottom, 0.35 maximum (A.S.T.M. Test Method D524 or D4530)
- (xi) Ash: 0.01 wt. % maximum (A.S.T.M. Test Method D482)
- (xii) Corrosion: 3 hours 50° C (122° F), 1 maximum (A.S.T.M. Test Method D130)
- (xiii) Cloud Point: 15° F maximum for contract months September through March; 20° F for contract months April through August. (A.S.T.M. Test Method D2500)

(xiv) Dye: Heating oil, regardless of sulfur content, dyed in satisfaction of the dyeing requirements as prescribed by the Internal Revenue Service (IRS) for tax-free sales or uses of diesel fuel (using the PetroSpec dye analyzer or the IRS Test Method), pursuant to Section 4082 of the Internal Revenue Code of 1986, as amended.

For purposes of this Contract, "A.S.T.M." refers to the American Society for Testing Materials; "A.P.I." refers to the American Petroleum Institute; and "Dupont" refers to Petroleum Chemical Division, E.I. DuPont de Nemours & Company (Inc.), Petroleum Laboratory Test Methods.

1704. Reportable Positions

Any Trading Privilege Holder who is long or short 250 or more contracts of a particular Cash-Settled No. 2 Heating Oil Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1705. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1705(c).

(b) EFP or EFS: If a contract is to be settled via an EFP or an EFS, then notice of such election must be given (in accordance with Clearing House Procedures) no later than 2-hours before trading ends on the last day of trading. A contract settled through an EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange No. 2 Heating Oil Settlement Price (EHO SP). The final settlement price for contracts held to expiration will be calculated following the close of trading on the last trading day from an average of cash market prices for transactions in No. 2 heating oil done basis New York Harbor/Boston as reported by oil industry price reporting services, and will include the following elements:

(i) Prices for current month cash market trades reported for the last day of trading in the expiring futures contract; and

(ii) A straight average of all cash market price assessments reported by energy reporting services for the last day of trading in the expiring futures contract.

The settlement price so calculated will be transmitted to the Clearing House and to all Clearing Members, and published on the Trading System no later than 6:00 a.m. (C.T.) on the business day immediately following the last day of trading in the expiring Contract.

(d) Notional Cash No. 2 Heating Oil Price: As a service, the Exchange will publish a notional cash market No. 2 heating oil price based on the same elements used in calculating the final settlement price for the last day of trading in an expiring Contract. This notional cash No. 2 heating oil price (NCHOP) will be published every trading day, and be based on the previous day's cash market activity.

1706. Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.

CHAPTER 16
CASH-SETTLED NATURAL GAS FUTURES CONTRACT

1601. Scope of the Contract

All Trading in ME Cash-Settled Natural Gas Futures Contracts shall be conducted pursuant to the requirements of this chapter and the general Rules of the Exchange.

1602. Commodity Specifications

A Cash-Settled Natural Gas Futures Contract is valued on the basis of spot cash transactions in natural gas conducted at Henry Hub and meeting the specifications set out in Rule 1603(g).

1603. Futures Specifications for ME Cash-Settled Natural Gas Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each month within the next 36 months following the current calendar month (for example, on November 1, 2001 trading occurs in all months December 2001 through December 2004), plus a long-dated contract initially listed for 36-months. Trading in any month shall be conducted during such hours as set from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$.001 (0.1 cent) per million British thermal units (MMBtu) (\$10.00 per contract).

(c) Trading Unit: 10,000 MMBtu.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading three (3) business days prior to the first business day of the delivery month.

(f) Speculative Position Limits:

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|------------------------|--|
| • Spot-month limit | 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | None |
| • All months combined | 21,000 contracts |

(g) Specifications: For purposes of ME Cash-Settled Natural Gas Futures Contract:

(i) Natural gas means any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane.

(ii) The term Btu: (British thermal unit) means the amount of heat required to raise the temperature of one (1) pound of avoirdupois pure water from fifty-eight and five-tenth degrees (58.5) Fahrenheit to fifty-nine and five-tenth degrees (59.5) Fahrenheit at a constant pressure of 14.73 pounds per square inch absolute. MMBtu shall mean one million (1,000,000) Btu.

(iii) Henry Hub: refers to piping and related facilities owned and/or leased by Sabine Pipe Line Company at Texaco Inc.'s Henry Gas processing plant near Erath, Louisiana.

1604. Reportable Positions

Any Trading Privilege Holder who is long or short more than 175 contracts of a particular Cash-Settled Natural Gas Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1605. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1605(c).

(b) EFP or EFS: An EFP or EFS may be transacted on the last trading day only to reduce or offset an open position in the contract, and notice of the EFP must be given in accordance with Clearing House procedures no later than 2 hours before trading ends on such trading day. An EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange Natural Gas Settlement Price (ENGSP). The final settlement price for contracts held to expiration will be calculated following the close of trading on the last trading day, in accordance with the following from an average of cash market prices reported by energy industry price reporting services, and will include the following elements:

(i) The "gas daily average" price computed from prices reported by energy price reporting services for spot cash transactions conducted at Henry Hub on the day corresponding to the last day of trading in the natural gas futures contract;

(ii) A straight average of all cash market price assessments reported by energy reporting services for the last day of trading in the expiring futures contract; and

(iii) Prices used for calculating the final settlement price shall be the cash spot market prices for natural gas where the rateable pipeline month and the futures delivery month coincide.

The settlement price so calculated will be transmitted to the Clearing House, to all Clearing Members and will be published on the ME System no later than 6:00 a.m. (C.T.) on the day immediately following the last day of trading for the natural gas futures contract.

(d) Notional Cash Natural Gas Price: As a service, the ME will calculate a notional cash natural gas price based on the same elements used in calculating the settlement price for the last day of trading in a delivery month. This notional cash natural gas price (NCNGP) will be published every trading day, and be based on the previous day's cash market activity.

1606. Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin in such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.

CHAPTER 15
CASH-SETTLED LIGHT "SWEET" CRUDE OIL FUTURES CONTRACT
CUSHING, OKLAHOMA DELIVERY

1501. Scope of the Contract

All trading in ME Cash-Settled Light Sweet Crude Oil Futures Contracts shall be conducted pursuant to the requirements of this chapter and the general Rules of the Exchange.

1502. Commodity Specifications

A Cash-Settled Light Sweet Crude Oil Futures Contract is valued on the basis of West Texas Intermediate crude oil having the grade and quality specifications set out in Rule 1503(g).

1503. Futures Specifications for ME Cash-Settled Light Sweet Crude Oil Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each of the next 30 months beginning with the current calendar month, and for months initially listed for 36, 48, 60, 72, and 84 months prior to delivery. Trading in any month shall be conducted during such hours as set forth from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$0.01 (one-cent) per barrel (\$10.00) per contract.

(c) Trading Unit: 1000 barrels (42,000 U.S. gallons), with a permissible variance of two percent (2%) above or below the contract unit.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading on the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month. If the twenty-fifth calendar day of that month is a non-business day, then trading shall end on the third business day prior to the last business day preceding the twenty-fifth calendar day.

(f) Speculative Position Limits:

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| • Spot-month limit | 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | None |
| • All months combined | 60,000 contracts |

(g) Grade and Quality Specifications: The contract is based on light "sweet" crude oil conforming to the specifications set forth in (i) or (ii):

(i) Domestic Crudes, (Deliverable at Par)

(1) Deliverable Crude Streams:

West Texas Intermediate
Low Sweet Mix (Scurry Snyder)
New Mexico Sweet
North Texas Sweet
Oklahoma Sweet
South Texas Sweet

Blends of these crude streams must constitute a pipeline's designated "common stream" shipment, which meets the grade and quality specifications for domestic crude. Arco Pipe Line Company's and Texaco Trading and Transportation Inc.'s Common Domestic Sweet Streams that meet quality specifications in Regulation CS.13 (A) (2 -7) meet this standard as Domestic Crude.

(2) **Sulfur**: 0.42% or less by weight as determined by A.S.T.M. Standard D-4294, or its latest revision;

(3) **Gravity**: Not less than 37 degrees API, nor more than 42 degrees APA as determined by A.S.T.M. Standard D-287, or its latest revision;

(4) **Viscosity**: Maximum 60 Saybolt Universal Seconds at 100 degrees Fahrenheit as measured by A.S.T.M. Standard D-445 and as calculated for Saybolt Seconds by A.S.T.M. Standard D-2161;

(5) **Reid Vapor Pressure**: Less than 9.5 pounds per square inch at 100 degrees Fahrenheit, as determined by A.S.T.M. Standard D-5191-96, or its latest revision;

(6) **Basic Sediment, water, and other impurities**: Less than 1% as determined by A.S.T.M. D-96-88 or D-4007, or their latest revisions;

(7) **Pour Point**: Not to exceed 50 degrees Fahrenheit as determined by A.S.T.M. Standard D-97.

(ii) Foreign Crudes

(1) Deliverable Crude Streams:

U.K.: Brent Blend (for which the seller shall receive a 30-cent per barrel discount below the last settlement price);

U.K.: Forties Blend (for which the seller shall receive a 30-cent per barrel discount below the last settlement price);

Nigeria: Bonny Light (for which the seller shall receive a 15-cent per barrel premium above the last settlement price);

Nigeria: Qua Iboe (for which the seller shall receive a 5-cent per barrel premium above the last settlement price);

Norway: Oseberg Blend (for which the seller shall receive a 30-cent per barrel discount below the last settlement price);

Colombia: Cusiana (for which the seller shall receive a 15-cent per barrel premium above the last settlement price).

(2) Each foreign crude stream must meet the following requirements for gravity and sulfur, as determined by A.S.T.M. Standards referenced in Regulation SC3 (g) (A)(2) and (3):

Foreign Crude Stream	Minimum Gravity	Maximum Sulfur
Brent Blend	36.4 API	0.46%
Forties Blend	39.0 API	0.36%
Bonny Light	33.8 API	0.30%
Qua Iboe	34.5 API	0.30%
Oseberg Blend	35.4 API	0.30%
Cusiana	34.9 API	0.40%

(3) In the Event that a Federal U.S. Superfund Tax and/or oil spill tax is in effect at the time of delivery for foreign crude oil, the buyer shall reimburse the seller for all such tax(es) as had been or will be paid by the seller.

No blends of foreign crude oil streams or foreign and domestic crude oil streams shall be deliverable. For the purpose of this contract, "crude oil" means a mixture of hydrocarbons that exists in a liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Crude oil as used herein refers to the direct liquid hydrocarbon production from oil wells, or a blend of such, in its natural form, not having been enhanced or altered in any manner or by any process that would result in misrepresentation of its true value for adaptability to refining as whole crude petroleum. For the purpose of this contract, condensates are excluded from the definition of crude petroleum.

1504. Reportable Positions

Any Trading Privilege Holder who is long or short 350 or more contracts of a particular Cash-Settled Light Sweet Crude Oil Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1505. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1505(c).

(b) EFP or EFS: An EFP or EFS may be transacted on the last trading day only to reduce or offset an open position in the contract, and notice of the EFP must be given in accordance with Clearing House procedures no later than 2 hours before trading ends on such trading day. An EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange Light Sweet Crude Oil Settlement Price (ELSCOSP). The final settlement price for contracts held to expiration will be calculated from an average of cash market prices for transactions in West Texas Intermediate (WTI) crude oil reported done basis Cushing, Oklahoma as reported by oil industry price reporting services, and will include the following elements:

(i) Prices for current month cash market trades reported for the last day of trading in the expiring futures contract; and

(ii) A straight average of all cash market price assessments reported by energy reporting services for the last day of trading in the expiring futures contract.

The settlement price so calculated will be transmitted to the Clearing House and to all Clearing Members, and published on the Trading System no later than 6:00 a.m. (C.T.) on the business day immediately following the last day of trading in the expiring Contract.

(d) Notional Cash WTI Crude Oil Price: As a service, the Exchange will publish a notional cash market WTI crude oil price based on the same elements used in calculating the final settlement price for the last day of trading in an expiring Contract. This notional cash WTI crude oil price (NCWTIP) will be published every trading day, and be based on the previous day's cash market activity.

1506. Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin in such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.

CHAPTER 14
CASH-SETTLED EUROPEAN GAS OIL

1401. Scope of the Contract

All trading in ME Cash-Settled European Gas Oil Futures Contracts shall be conducted pursuant to the requirements of this Chapter and the general Rules of the Exchange.

1402. Commodity Specifications

A Cash-Settled European Gas Oil Futures Contract is valued on the basis of gas oil deliverable in Northwest Europe, specifically in Antwerp, Rotterdam, Amsterdam (the "ARA"), and having the grade and quality specifications set out in Rule 1403(g).

1403. Futures Specifications for ME Cash-Settled European Gas Oil Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each month for the next 12 months following the current calendar month, then quarterly out to twenty-four months, and then half-yearly out to 36-months. For example, on November 13, 2001, trading will occur in all months from December 2001 through November 2002, December 2002, March 2003, September 2003, December 2003, June 2004 and December 2004. Trading in any month shall be conducted during such hours as set forth from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$0.25 (25 cents) per metric ton (\$25.00 per contract).

(c) Trading Unit: 100 metric tons of gas oil, with delivery by volume of 118.35 cubic meter per lot equal to 100 tons of gas oil at a density of 0.845 kg/liter in vacuum at 15° C.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading at 12:00 noon two business days prior to the 14th calendar day of the delivery month.

(f) Speculative Position Limits:

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|------------------------|--|
| • Spot-month limit | 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | None |
| • All months combined | 21,000 contracts |

(g) Grade and Quality Specifications: The contract is based on gas oil offered in bulk, free of all liens and claims, and of a merchantable quality conforming to the following specifications:

<u>Specification</u>	<u>Units</u>	<u>Limits</u>	<u>Test Method</u>
Density at 15°C	kg/liter	Max. 0.860 Min. 0.820	ASTM D 1298 (in a vacuum) ASTM D 4052 in a vacuum)
Distillation	% vol		ASTM D 86
Evaporated at 250°C		Max. 65	
Evaporated at 350°C		Min. 85	
Color		Max. 2.0	ASTM D 1500
Flash Point	°C	Min. 55	ASTM D 93
Pensky Martens "Closed Cup"			
Total Sulphur	% mass	Max. 0.20	ASTM D 1552 ASTM D 2622 ASTM D 4294 IP 336
Kinematic Viscosity	cSt at 20°C	Max. 6.0	ASTM D 445
Cloud Point	°C	Max. + 3	DIN EN 23015
Cold Filter Plugging Point	°C		DIN EN 116
	if cloudpoint $\leq 3^{\circ}\text{C}$	≤ -12.0	
	if cloudpoint $\leq 2^{\circ}\text{C}$	≤ -11.0	
	if cloudpoint $\leq 1^{\circ}\text{C}$	≤ -10.0	
Oxidation Stability	mg/100ml	Max. 3	ASTM D 2274
Cetane Index		Min. 45	ASTM D 976/80
Sediment	mg/kg	Max. 24	DIN 51419
Water	mg/kg	Max. 200	ASTM D 1744
Strong Acid Number	mg KOH/gm	Max. 0.1	ASTM D974
Halogenated Hydrocarbons	mg/kg	Not detected	DIN 51577-3

1404. Reportable Positions

Any Trading Privilege Holder who is long or short 250 or more contracts of a particular Cash-Settled European Gas Oil Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1405. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1405(c).

(b) EFP or EFS: An EFP or EFS may be transacted on the last trading day only to reduce or offset an open position in the contract, and notice of the EFP must be given in accordance with Clearing House procedures no later than 2 hours before trading ends on such trading day. An EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange European Gas Oil Settlement Price (EEGOSP). The final settlement price for contracts held to expiration will be calculated from an average of cash market prices reported by energy industry price reporting services, and will include the following elements:

(i) Prices for current month cash trades for barge lots of EU qualified gas oil basis ARA; and

(ii) A straight average of all transaction price assessments published by energy price reporting services for barge lots of EU qualified gas oil basis NWE.

The settlement price so calculated will be transmitted to the Clearing House and to all Clearing Members and published on the Trading System no later than 6:00 a.m. (C.T.) on the day immediately following the last day of trading for the delivery month.

(d) Notional Cash European Gas Oil Price: As a service, the ME will calculate a notional cash European gas oil price based on the same elements used in calculating the settlement price for the last day of trading in a delivery month. This notional cash European gas oil price (NCEGOP) will be published every trading day, and be based on the previous day's cash market activity.

1406. Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin in such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.

CHAPTER 13
CASH-SETTLED BRENT CRUDE OIL CONTRACT.

1301. Scope of the Contract

All trading in ME Cash-Settled Brent Crude Oil Futures Contracts shall be conducted pursuant to the requirements of this chapter and the general Rules of the Exchange.

1302. Commodity Specifications

A Cash-Settled Brent Crude Oil Futures Contract is valued on the basis of Brent crude oil having the grade and quality specifications set out in Rule 1303(g).

1303. Futures Specifications for ME Cash-Settled Brent Crude Oil Futures Contract

(a) Trading Months and Hours: Trading shall be conducted in each month for the next 18 months beginning with the current calendar month. Trading in any month shall be conducted during such hours as set forth from time to time by the Board of Managers.

(b) Price Increments: The minimum price fluctuation shall be \$0.01 (one-cent) per barrel (\$10.00 dollars per contract).

(c) Trading Unit: 1000 barrels (42,000 U.S. gallons), with a permissible variance of two percent (2%) above or below the contract unit.

(d) Daily Price Limits: There are no price limits.

(e) Last Trading Day: The contract will cease trading on the business day prior to the 15th calendar day immediately preceding the first day of the spot month. If that 15th calendar day is a non-banking day, including Saturday, in London or New York, trading shall end on the banking business day immediately preceding that 15th calendar day.

(f) Speculative Position Limits:

- | | |
|------------------------|--|
| • Spot-month limit | 3,000 contracts during the last 3 trading days |
| • Non-spot month limit | None |
| • All months combined | 60,000 contracts |

(g) Grade and Quality Specifications: The contract is based on deliverable Brent blend crude oil specified as export quality Brent blend as supplied at Sullom Voe, The

Shetland Islands. The contract is based on deliverable Brent blend crude oil meeting customary standards of export quality Brent blend as supplied at Sullom Voe, The Shetland Islands.

For the purpose of this contract, "crude oil" means a mixture of hydrocarbons that exists in a liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Crude oil as used herein refers to the direct liquid hydrocarbon production from oil wells, or a blend of such, in its natural form, not having been enhanced or altered in any manner or by any process that would result in misrepresentation of its true value for adaptability to refining as whole Crude Petroleum. For the purpose of this contract, condensates are excluded from the definition of crude petroleum.

1304. Reportable Positions

Any Trading Privilege Holder who is long or short 350 or more contracts of a particular Cash-Settled Brent Crude Oil Futures Contract shall be deemed to have a reportable position and shall so notify the Exchange upon such forms as the Exchange may decide.

1305. Final Settlement

(a) Cash-Settlement: Cash settlement upon expiration is against an Exchange published final settlement price, determined in accordance with Rule 1305(c).

(b) EFP or EFS: An EFP or EFS may be transacted on the last trading day only to reduce or offset an open position in the contract, and notice of the EFP must be given in accordance with Clearing House procedures no later than 2 hours before trading ends on such trading day. An EFP or EFS must be transacted in accordance with Rule 418.

(c) Calculation of Final Exchange Brent Crude Oil Settlement Price (EBCOSP). The final settlement price for contracts held to expiration will be calculated from an average of cash market prices reported by energy industry price reporting services, and will include the following elements:

- (i) Prices for first month trades in the 15-day forward market;
- (ii) Prices for second month trades in the 15-day forward market plus or minus a straight average of the prices at which spread trades between the first and second months are transacted; and
- (iii) A straight average of all transaction price assessments published by energy price reporting services.

The settlement price so calculated will be transmitted to the Clearing House and to all Clearing Members and published on the ME System no later than 6:00 a.m. (C.T.) on the day immediately following the last day of trading for the delivery month.

(d) Notional Cash Brent Crude Oil Price: As a service, the Exchange will publish a notional cash Brent Price based on the same elements used in calculating the final settlement price for the last day of trading in a delivery month. This notional cash Brent blend

price (NCBCOP) will be published every trading day, and be based on the previous day's cash market activity.

1306. Margin Requirements

(a) Trading Privilege Holders shall require their Customers to post initial and maintenance margin in such minimum amounts as the Board of Managers may from time to time prescribe.

(b) Trading Privilege Holders shall be required to post variation margin at such times and in such amounts as the Clearing House shall determine from time to time.