

02-3
NC 2

U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5521



May 03, 2002

RECEIVED
C.F.T.C.
02 MAY 28 PM 8 30
RECEIVED C.F.T.C.
RECORDS SECTION

J. Robert Collins, Jr.
President
New York Mercantile Exchange
One North End Avenue
World Financial Center
15th Floor
New York, New York 10282-1101

Re: Request that the Commission Approve New York Mercantile Exchange, Inc. Rule 6.21D Pursuant to Commission Regulation 40.5

Dear Mr. Collins:

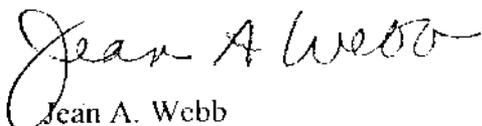
By letter dated and received January 29, 2002, the New York Mercantile Exchange, Inc. ("NYMEX" or the "Exchange") voluntarily submitted to the Commission for approval proposed new NYMEX Rule 6.21D on a one-year pilot program basis, pursuant to 5c(c)(2)(a) of the Commodity Exchange Act ("Act") and Commission Regulation 40.5. By letter dated and received March 6, 2002, NYMEX instructed the Commission to extend the review period for proposed Rule 6.21D from 45 to 90 days pursuant to Commission Regulation 40.5(c)(2). By letter dated and received April 29, 2002, NYMEX requested that the Commission further extend the review period for the proposal by an additional 15 days.

Rule 6.21D would permit exchange of futures for, or in connection with, futures transactions ("EFF") in the Exchange's Brent Crude Oil ("Brent") futures contract. EFFs would trade in accordance with trading procedures that NYMEX contends are analogous in some respects to block trading rules and in other respects to exchange of futures for physicals and exchange of futures for swaps rules in operation at other contract markets.

Please be advised that proposed new Rule 6.21D was approved as of the date of this letter under Section 5c(c)(2) of the Act. In taking this action, the Commission understands that, under Rule 6.21D, eligible contract participants would be permitted to execute away from the central marketplace transactions of 50 or more NYMEX Brent futures contracts. As a condition precedent to the NYMEX transaction, the parties must have liquidated a position in a substantially equivalent contract at another exchange. The parties would not be required to execute those liquidating transactions against each other.

Regardless of whether the parties executed a single liquidating transaction with each other or two separate liquidating transactions with other parties, the respective quantities of the liquidating transaction(s) would have to be substantially equivalent to the quantity covered by the later NYMEX transaction. Within two hours of receiving confirmation of the underlying transaction(s), each party to the NYMEX transaction must submit the details of the NYMEX transaction to its clearing member.

Sincerely,

A handwritten signature in cursive script that reads "Jean A. Webb". The signature is written in black ink and is positioned above the printed name.

Jean A. Webb
Secretary of the Commission