Chapter 201
WTI Houston Crude Oil Futures

201100. SCOPE OF CHAPTER

This chapter is limited in application to WTI Houston Crude Oil futures. The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all light sweet crude oil bought or sold for physical delivery on the Exchange with delivery in Houston, Texas.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical crude oil, respectively.

For purposes of these rules, unless otherwise specified, times referred to herein shall refer to and indicate New York time.

201101. CONTRACT SPECIFICATIONS

The contract grade for delivery on futures contracts shall be “crude oil” which shall mean 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 purposes of this contract, condensates are excluded from the definition of crude petroleum.

WTI type light sweet crude oil meeting all of the following specifications and designations shall be deliverable in satisfaction of futures contract delivery obligations under this rule:

201101.A. Deliverable Crude Oil Streams

Blends of West Texas Intermediate ("WTI") type light sweet crude streams are deliverable if such blends constitute a designated "common stream" shipment which meets the quality specifications defined below. Enterprise Products Partners LP’s (including any successor in such capacity, “Enterprise”) common streams that meet quality specifications in Sections 201101.B.1.- 9. of this rule shall be deliverable as follows:

201101.B. Quality Specifications

1. Sulfur: 0.20% or less by weight as determined by ASTM Standard D-4294, or its latest revision;
2. Gravity: Not less than 40 degrees American Petroleum Institute (“API”), nor more than 44 degrees API as determined by ASTM Standard D-287, or its latest revision;
3. Viscosity: Maximum 60 Saybolt Universal Seconds at 100 degrees Fahrenheit as measured by ASTM Standard D-445 and as calculated for Saybolt Seconds by ASTM Standard D-2161;
4. Reid vapor pressure: Less than 9.5 pounds per square inch at 100 degrees Fahrenheit, as determined by ASTM Standard D-5191-96, or its latest revision;
5. Basic Sediment, water and other impurities: Less than 1% as determined by ASTM D-96-88 or D-4007, or their latest revisions;
6. Pour Point: Not to exceed 50 degrees Fahrenheit as determined by ASTM Standard D-97;
7. Micro Method Carbon Residue: 2.40% or less by mass; as determined by ASTM Standard D4530-15, or its latest revision;
8. Total Acid Number (TAN): 0.28 mg KOH/g or less as determined by the first inflection point; using ASTM Standard D664-11a (2017), or its latest revision;
9. Nickel + Vanadium: Maximum 3 parts per million (ppm) combined by mass; as determined by ASTM Standard D5708-15, Test Method B, or its latest revision.
201102. TRADING SPECIFICATIONS

Trading in WTI Houston Crude Oil futures is regularly conducted in all calendar months. The number of months open for trading at a given time shall be determined by the Exchange.

201102.A. Trading Schedule

The hours for trading shall be determined by the Exchange.

201102.B. Trading Unit

The unit of trading shall be 1,000 U.S. barrels (42,000 U.S. gallons). Except for delivery made by book-out, in-tank transfer, or in-line transfer pursuant to Section 104, a tolerance of two percent (2%) above or below (1,020 U.S. Barrels or 980 U.S. Barrels) the contract unit is permitted. All volumes shall be determined at 60°F.

201102.C. Price Increments

The minimum price fluctuation shall be $0.01 (1 cent) per barrel. Prices shall be quoted in dollars and cents per barrel.

201102.D. Special Price Fluctuation Limits

At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

201102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

201102.F. Termination of Trading

No trades in WTI Houston Crude Oil futures in the expiring contract month shall be made after the third business day prior to the twenty-fifth calendar day of the month preceding the delivery month for such expiring contract. If the twenty-fifth calendar day of the month is a non-business day, trading shall cease on the third business day prior to the last business day preceding the twenty-fifth calendar day of the month preceding the delivery month. Any contracts remaining open after the last day of trading must be either:

(a) Settled by delivery which shall take place no earlier than the first calendar day of the delivery month and shall be completed no later than the last calendar day of the delivery month; or

(b) Liquidated by means of a bona fide Exchange of Futures for Related Position (“EFRP”) pursuant to Rule 538. An EFRP is permitted at any time before 2:00 p.m. on the first business day following termination of trading in an expired futures contract, provided, however, that an EFRP which establishes a futures position for either the buyer or the seller shall not be permitted following the termination of trading of an expired futures contract.

201103. INSPECTION

Inspection of product shall be conducted in accordance with pipeline practices. A buyer or seller may appoint an inspection company to inspect the quality of product delivered. The buyer or seller who requests inspection shall notify the seller or buyer that such inspection will take place. The buyer or seller who requests inspection shall pay the costs of the inspection.

201104. DELIVERY

Delivery shall be made free-on-board (“F.O.B.”) at Enterprise Crude Pipeline LLC’s (“ECPL”) ECHO crude oil terminal (“ECHO”) or ECPL’s Genoa Junction crude oil terminal (“Genoa Junction”) or Enterprise Houston Ship Channel LLC’s marine terminal (“EHSC”) or ECPL's
Moore Road terminal ("Moore Road") in the Houston, Texas area. Delivery shall be made in accordance with all applicable Federal executive orders and all applicable Federal, State and local laws and regulations. The seller shall provide crude oil which is free from all liens, encumbrances, unpaid taxes, fees and other charges.

For the purposes of this rule, the term F.O.B. shall mean a delivery in which the seller: (1) provides WTI type light sweet crude oil at the point of connection between seller’s incoming and buyer’s outgoing pipeline or storage facility; and (2) seller retains title to, and bears the risk of loss for the crude oil to the point of delivery. Delivery at ECHO will be delivered at par to the final settlement price. Buyers that nominate to take delivery at EHSC, Genoa Junction, or Moore Road shall be subject to a service fee as administered by Enterprise.

The buyer and seller shall each nominate one of the Enterprise facilities for delivery of crude oil and at buyer’s option such delivery shall be made by any of the following methods: (1) by interfacility transfer ("pumpover") into one of the four designated Enterprise facilities; (2) by in-line (or in-system) transfer, or book-out of title to the buyer; or (3) if the seller agrees to such transfer and if the facility used by the seller allows for such transfer, without physical movement of product, by in-tank transfer of title to the buyer. Buyer retains title to, and bears the risk of loss for the crude oil at and from the point of delivery. The seller shall nominate ECHO, Genoa Junction, or EHSC for delivery of crude oil.

Buyers and sellers that take or make delivery at ECHO will be subject to no additional service fee by Enterprise. Buyers that take delivery at EHSC or Genoa Junction or Moore Road will be subject to an additional service fee by Enterprise, payable by the buyer.

**201105. DELIVERY PROCEDURES**

**201105.A. Responsibilities of Clearing Members Having Open Long Positions**

1. **Notice of Intention to Accept**
   Exchange clearing members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 3:00 p.m. on the first business day after the final day of trading. The Notice of Intention to Accept must be in the form prescribed by the Exchange and must be properly completed and indicate the name(s) of the buyer(s), the number of contracts to be accepted, facility designated for receipt of crude oil and any additional information as may be required by the Exchange.

2. **Delivery Instructions**
   On the first business day following Notice Day, the buyer’s clearing member shall provide the seller’s clearing member and the Exchange with properly completed Delivery Instructions in the form prescribed by the Exchange. Such Delivery Instructions must include the following information:
   a. Name of seller(s);
   b. Tender number;
   c. Name of one of four Enterprise facilities designated for delivery;
   d. Number of contracts;
   e. Method of delivery, e.g., by interfacility transfer, in-line transfer, book-out, or in-tank transfer;
   f. Such additional information as may be required by the Exchange.

**201105.B. Responsibilities of Clearing Members Having Open Short Positions**

1. **Notice of Intention to Deliver**
   Exchange clearing members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 3:00 p.m. on the first business day after the final day of trading. The Notice of Intention to Deliver must be in the form prescribed by the Exchange, and must be properly completed and indicate the name(s) of the seller(s) and the number of contracts to be delivered. The seller(s) shall designate ECHO, Genoa Junction, or EHSC for delivery and shall also provide any additional information as may be required by the Exchange.

**201105.C. Amendment of Delivery Instructions**

Notwithstanding the foregoing, at any time prior to the twenty-fifth calendar day of the month preceding the delivery month (if the twenty-fifth calendar day of the month is a non-business
day, then at any time prior to the last business day preceding the twenty-fifth calendar day of
the month preceding the delivery month), the buyer(s) and the seller(s) may, by mutual
agreement, elect to change the delivery terms with respect to the method of delivery, the
timing of delivery, and the designation of the buyer(s) and/or seller(s) delivery facility.
Any such changes must be made on the form prescribed by the Exchange. Any changes
made with respect to the foregoing must be made in conformance with all contract
requirements and specifications.

201105.D. Final Settlement Price
The final settlement price shall be the basis for delivery.

201105.E. Notice Day
The Clearing House shall allocate Delivery Notices and Notices of Intention to Accept by
matching facility and size of positions to the extent possible. On the morning of the next
business day, the Clearing House shall provide copies of the notices to the respective clearing
members. The day on which the notices are provided to the clearing members shall be
referred to as the Notice Day. The Notice Day shall be the second business day after the final
day of trading.

201105.F. Non-Transferable
The clearing member who receives a Delivery Notice or a Notice of Intention to Accept from
the Clearing House shall be deemed to have agreed to accept or deliver product. Delivery
Notices and Notices of Intention to Accept are not transferable.

201106. TIMING OF DELIVERY
Delivery shall take place no earlier than the first calendar day of the delivery month and shall
be completed no later than the last calendar day of the delivery month.
It is the obligation of the seller’s clearing member to ensure that the seller’s crude oil receipts
are available to begin flowing ratably by the first day of the delivery month, in accordance with
generally accepted pipeline scheduling practices.
Transfer of Title - The seller shall give the buyer a pipeline ticket, if applicable, any other
quantitative certificates and all appropriate documents upon receipt of payment.
The seller shall provide preliminary confirmation of title transfer at the time of delivery in
electronic format or other appropriate form of documentation.

201107. DELIVERY MARGINS AND PAYMENT

201107.A. Definitions
For the purposes of this Section 107,
"Payment Date" shall mean the twentieth day of the month following the delivery month or if
such date is a Saturday or an Exchange or New York bank holiday other than Monday,
payment shall be made on the preceding day which is not an Exchange or New York bank
holiday. If such day is a Sunday or an Exchange or New York bank holiday which occurs on a
Monday, payment shall be made on the next day which is not an Exchange or New York bank
holiday.

201107.B. Margin
On the third business day following the last day of trading, the clearing member shall obtain
from any buyer margin equal to the full value of the product to be delivered, and the clearing
member shall obtain from any seller margin in an amount fixed, from time to time, by the
Exchange.
The buyer’s clearing member and the seller’s clearing member shall deposit with the Clearing
House margins in such amounts and in such form as required by the Exchange. Such margins
shall be returned on the business day following notification to the Exchange that delivery and
payment have been completed.

201107.C. Payment
No later than 12:00 p.m. on the third business day prior to the Payment Date, the seller shall
advise its clearing member of the name and address of the bank, and the name of the account
to which payment shall be made. The clearing member shall advise the opposite clearing
member who shall advise the buyer. On the Payment Date, the buyer shall pay the short
contract value by federal funds wire transfer to the account of the seller at the bank nominated
by the seller. The term "contract value" shall mean the amount equal to the settlement price on the last day of trading in a futures contract times one thousand (1,000) times the number of contracts to be delivered.

No later than 12:00 p.m. on the Payment Date, the buyer shall advise its clearing member of the federal funds wire transfer number and the name of the sending bank. The clearing member representing the buyer shall advise the opposite clearing member who shall similarly advise the seller.

No later than the business day following the Payment Date, the seller shall advise its clearing member of receipt of payment, who shall deliver a notice of payment to the clearing member representing the buyer and the Clearing House no later than the business day following the Payment Date. Upon receipt of such notice, the delivery shall be complete.

Any payment made on the required Payment Date shall be based on volume actually delivered, determined at 60°F. If quantitative results are unavailable prior to the time established in the rules for payment of the product, a pro-forma payment based on 1,000 U.S. barrels per contract shall be made. Payment adjustments based on the actual quantity transferred shall be completed by 12:00 p.m. on the fifth business day after initial payment.

In the event that the seller’s clearing member receives notification that payment has not been received, the seller’s clearing member shall advise the Exchange in writing. On the following business day, unless the buyer or the buyer’s clearing member has advised the Exchange in writing that the seller failed to deliver, the Exchange shall liquidate the margins held and, when the liquidation is complete, shall pay the seller’s clearing member which shall pay its seller. If the buyer or the buyer’s clearing member has advised the Exchange in writing that the seller failed to deliver, the matter shall be deemed a failure to deliver pursuant to Rule 714.

201108. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any inspection certificate, Notice of Intention to Deliver, Notice of Intention to Accept, check or any document or instrument delivered pursuant to these rules.

201109. ALTERNATIVE DELIVERY PROCEDURE

A seller and buyer matched by the Exchange under Section 105.E. may agree to make and take delivery under terms or conditions which differ from the terms and conditions prescribed by this Chapter. In such a case, clearing members shall execute an Alternative Notice of Intention to Deliver on the form prescribed by the Exchange and shall deliver a completed and executed copy of such notice to the Exchange. The delivery of an executed Alternative Notice of Intention to Deliver to the Exchange shall release the clearing members and the Exchange from their respective obligations under the rules of this Chapter and any other rules regarding physical delivery.

In executing such notice, clearing members shall indemnify the Exchange against any liability, cost or expense the Exchange may incur for any reason as a result of the execution, delivery, or performance of such contracts or such agreement, or any breach thereof or default thereunder. Upon receipt of an executed Alternative Notice of Intention to Deliver, the Exchange will return to the clearing members all margin monies held for the account of each with respect to the contracts involved.