

Chapter 807

WTI Houston vs. WTI Midland Trade Month Average Price Option

807100. SCOPE OF CHAPTER

This chapter is limited in application to put and call intercommodity spread options on the settlement price of the WTI Houston (Argus) vs. WTI Trade Month Futures (Commodity Code: HTT/Rulebook Chapter [319](#)) less the settlement price of the WTI Midland (Argus) vs. WTI Trade Month Futures (Commodity Code: WTT/Rulebook Chapter [1142](#)) (the "Intercommodity Spread"). In addition to the rules of this chapter, transactions in the WTI Houston vs. WTI Midland Trade Month Average Price Option shall be subject to the general rules of the Exchange insofar as applicable.

807101. OPTION CHARACTERISTICS

The number of contracts open for trading at a given time shall be determined by the Exchange.

807101.A. Trading Schedule

The hours of trading for this contract shall be determined by the Exchange.

807101.B. Trading Unit

A Put Option contract will represent the cash difference between the strike price less the final settlement price of the Intercommodity Spread multiplied by 1,000, or zero, whichever is greater. A Call Option represents the cash difference of the final settlement price of the Intercommodity Spread contract less the strike price multiplied by 1,000, or zero, whichever is greater.

807101.C. Price Increments

Prices shall be quoted in dollars and cents per barrel and prices shall be in multiples of \$0.01 per barrel. The minimum price increment will be \$0.01.

807101.D. 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.

807101.E. Termination of Trading

Trading shall cease at the close of trading on the last business day that falls on or before the 25th calendar day of the month prior to the contract month. If the 25th calendar day is a weekend or holiday, trading shall cease on the first business day prior to the 25th calendar day.

807101.F. Type Option

The option is a financially-settled European-style option contract which cannot be exercised prior to expiration.

807102. EXERCISE PRICES AND CHARACTERISTICS

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

807103. DISCLAIMER

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.