Historically, Domestic Sweet was a blend of various sweet crude oil streams from Western Texas, Oklahoma, and surrounding areas.

Today, with minimal specifications and greater logistical optionality, Domestic Sweet might include high TAN African crudes, condensate from Colorado, Canadian blends, or heavy Brazilian crude.

Refiners were increasingly concerned about blending of incompatible crudes into the Domestic Sweet stream and the detrimental effect on refinery operations.
History

- After years of diligent work and testing, in 2010, the COQA recommended more comprehensive specifications for WTI/Domestic Sweet.

- Distillation characteristics, acidity (TAN), metals (nickel and vanadium), and carbon residue (MCR) were identified as necessary parameters in addition to the historical specifications of API gravity and sulfur.

Recommended Specs - Current Status

- NYMEX met with Cushing personnel in April 2011 to discuss adoption of the additional specs.

- At the Fall 2011 meeting, Dan Brusstar spoke favorably regarding NYMEX’s incorporation of the specs.

- Plains previously reported the COQA specs are being routinely met.

- 2011 data for Marathon batches shows the COQA specs are being followed!
MCR – All samples are less than the 2.40 wt % max spec.

Metals (Ni & V) - All samples are less than the specs.
TAN - All samples are less than the 0.28 max spec.

Yield Data based on HTSD is good.
Conclusions

- The COQA specs are meaningful to refiners; practical to implement; routinely achievable; and do not limit the liquidity of the stream.
- Laboratory capabilities are available in Cushing to readily, accurately monitor for the COQA spec parameters.
- Since COQA’s letter 18 months ago, subsequent work has validated this recommendation, showing the perceived hurdles have been overcome.
- The timing is perfect for NYMEX to formally adopt the COQA specs prior to the movement of WTI to the trading hubs on the Gulf coast.