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 are 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.

- In addition to the historical specs of API gravity and sulfur, we agreed on the need for:
  - Distillation characteristics from HTSD:
    - % @ 220°F
    - 50% point
    - % >1020°F
  - TAN
  - Metals (nickel and vanadium, individually)
  - Carbon residue (MCR)

Recommended Specs - Current Status

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

- At both the Fall 2011 and early 2012 meetings, Dan Brusstar spoke favorably regarding NYMEX’s incorporation of the specs.

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

- 2011 & 2012 data for Marathon Petroleum batches shows the COQA specs are being followed!
## Conclusions

- The COQA specs are:
  - Meaningful to refiners
  - Practical to implement
  - Routinely achievable
  - Do not limit the liquidity of the stream

- Since COQA’s letter over 2 years ago, subsequent work has validated this recommendation, showing the perceived hurdles have been overcome.

- The importance of the specs was highlighted in Harry Giles’ presentation to the National Academy of Sciences Dilbit Project last month.

- The need for NYMEX to formally adopt the COQA specs is even greater with the movement of WTI to the trading hubs on the Gulf coast.