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oil for market purposes and of production unavoidably lost; provided that each of the parties hereto shall pay or secure the payment of, the royalty interest in its proportionate part of said production and provided further that during such times as Belco does not elect to take its share in kind and separately dispose thereof, Belco may, at its election, require that Pan American purchase (at not less than field market price) Belco's share of the oil, gas, casinghead gas or other hydrocarbon substances which are produced and saved. Such purchases shall be on a day-to-day basis only and subject always to revocation at will by Belco whenever it desires to take in kind and separately dispose of its proportionate part of said production.

XIII. ARBITRATION

Section 1. If and whenever any controversy shall arise out of this agreement, and the parties shall be unable to agree with respect to such controversy, the same shall be submitted for determination to a board of three arbitrators chosen as follows: Upon written demand of either party and within ten (10) days from the date of such demand, each party shall name an arbitrator and the two arbitrators so named shall promptly thereafter choose a third. If either party shall fail to name an arbitrator within ten (10) days from such demand, the other party shall name the second arbitrator as well as the first, or if the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then upon written application by either party such third arbitrator may be appointed by the American Arbitration Association.

Section 2. The board of arbitrators so chosen shall proceed immediately to hear and determine the question or questions in dispute. The decision of the board of arbitrators or majority thereof shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. In the event the board or majority thereof shall fail to make a decision within sixty (60) days after the appointment of the third arbitrator, new arbitrators may at the election of either party be chosen in like manner as if none had previously been selected.