

## ***Annual Salary Survey***

# **Uncertainty Takes Toll on Hiring, Pay**

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Salary raises for petroleum took a pause in 2002 as uncertain times also took its toll on hiring activity, according to the 2003 EXPLORER Salary Survey.

There are signs, however, that the employment picture is brightening.

The survey, conducted by Mike Ayling of MLA Resources in Tulsa, said the survey shows only a 1.6 percent weighted average increase in salaries.

Average starting salaries rose about 1.5 percent; salaries for geologists with three- to nine years experience increased about 5 percent, but salaries for experienced geologists lagged at around 1 percent.

The EXPLORER survey is based in U.S. dollars on employed, salaried geoscientists and does not include any additional benefits, such as consulting fees, retainers, overrides, automobiles or other perquisites.

Throughout 2002, despite steadily increasing oil and natural gas prices, the industry was plagued by indecision, Ayling said.

“Companies seemed to be unwilling to expand their staff during uncertain times,” Ayling said.

He listed several factors playing a role in the hiring hesitancy:

- A sluggish economy.
- War uncertainties.
- A continued emphasis on areas with large potential reserves, generally overseas with longer time lines and requiring relatively less staffing to explore.
- A “harvest mode” to take advantage of high current prices, rather than investing in future discoveries.
- The results of hedging, often required by lenders as a condition of funding property purchases, that had the effect of limiting topside profits from rising prices.
- Memories of 1997-98, when prices improved and then rapidly fell.

Ayling particularly noted the continuing focus by the major oil companies on the hunting for the international elephants while exiting the United States.

“In fact, several majors have been in a cost control mode that has included significant downsizing,” Ayling said.

On the bright side, Ayling noted, “This spring we are now seeing the beginning of a hiring upswing, mainly among domestic producers—something we haven’t seen in awhile.

“Perhaps it just takes awhile for the industry to absorb and believe good news.”

He also said that with forecasts of strong natural gas prices and relatively strong oil prices based on compelling supply fundamentals, “we may be in better times as 2003 continues.”

Ayling has conducted the salary survey since 1982.

The survey’s purpose is to provide a yardstick for those in assessing their compensation. Ayling reiterated he strongly feels that compensation is often a secondary consideration when evaluating overall job satisfaction.

### HISTORICAL SALARY AVERAGE

YEARS EXPER.	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
0-2	\$43,2000	\$42,500	\$46,500	\$48,400	\$51,300	\$50,100	\$53,600	\$59,700	\$64,000	\$65,000
3-5	52,600	53,800	55,200	56,600	57,400	57,000	61,400	66,000	67,500	71,200
6-9	65,400	63,100	59,600	65,700	69,900	67,500	78,400	74,200	74,500	78,300
10-14	76,200	69,100	70,500	76,600	78,800	77,100	83,400	89,400	95,000	96,600
15-19	82,700	75,300	82,400	84,700	90,200	89,800	94,900	100,600	99,400	102,500
20+	95,900	100,700	104,700	99,800	108,500	106,200	106,600	114,100	117,200	118,900

### 2002 GEOLOGICAL SALARY SURVEY

YEARS EXPERIENCE	HIGH	AVERAGE	LOW
0-2	\$ 75,000	\$ 65,000	\$ 58,000
3-5	80,000	71,200	64,000
6-9	103,000	78,300	64,500
10-14	119,000	95,600	80,000
15-19	120,000	102,500	82,000
20+	185,000	118,900	75,000

### AVERAGE SALARY BY DEGREE

YEARS EXPERIENCE	B.S.	M.S.	Ph.D.
0-2	\$ 58,000	\$ 63,500	\$ 75,000
3-5	75,000	68,000	80,000
6-9	77,000	79,800	76,400
10-14	80,000	101,200	90,000
15-19	82,000	104,700	103,000
20+	110,400	122,200	123,000