

Incentives beyond salaries coming into play

Geologists' Pay Continues Upward Trend

By LARRY NATION, AAPG Communications Director

2012 Geological Salary Survey

YEARS EXPER	HIGH	AVERAGE	LOW
0-2	\$ 110,000	\$ 98,700	\$ 85,000
3-5	128,000	109,400	90,000
6-9	207,000	137,300	107,000
10-14	195,000	153,400	113,000
15-19	238,000	193,600	144,400
20-24	270,000	199,200	150,000
25+	300,000	199,600	150,000

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With a 15 percent run-up in the salaries for petroleum geologists over the past three years, the AAPG Annual Salary Survey showed the upward trend continuing – with a few interesting caveats.

The weighted overall average salary for petroleum geologists was up 2.3 percent in 2011-12. However, take a look at who's getting what – and how.

Mike Ayling, of MLA Resources in Tulsa, who has conducted the annual salary survey for AAPG since 1981, said the largest increases came in the high-demand 10-14 year experience group, with 10.3 percent hike in pay, and the 15-19 year experience group showing a whopping 28.1 percent gain.

Average Salary By Degree

YEARS EXPER	B.S.	M.S.	Ph.D.
0-2	\$ 88,500	\$ 99,000	\$ 108,300
3-5	90,000	91,500	121,800
6-9	133,000	118,300	207,000
10-14	120,000	159,800	147,300
15-19	-----	196,000	191,200
20-24	175,000	187,500	270,000
25+	186,700	209,200	190,500

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Interestingly, the 25-plus year group showed a 3.3 percent decline. However, Ayling noted that the negative salary number is a bit misleading.

“This may be partly explained by a much lower maximum salary for the group,” Ayling said, “but is also reflective of a change toward incentive compensation for highly paid individuals. Bonuses and participations can often exceed base salaries for this group.”

Anecdotal information gathered by the EXPLORER backed up that view, with confirmed reports of advertised positions offering sometimes double the annual salary in bonuses or stock options.

Historical Averages Salary

YEARS EXPER	2004	2005	2006	2007	2008	2009	2010	2011	2012
0-2	\$ 65,600	\$ 67,800	\$ 74,400	\$ 82,200	\$ 82,800	\$ 83,600	\$ 87,600	\$ 93,000	\$ 98,700
3-5	67,700	75,600	81,300	89,600	107,800	108,000	105,600	102,300	109,400
6-9	75,700	78,800	95,400	98,500	121,100	118,400	121,700	127,800	137,300
10-14	91,900	107,500	114,400	111,500	119,800	121,900	123,500	139,100	153,400
15-19	102,500	116,000	119,600	141,000	151,600	139,400	150,800	151,000	193,600
20-24	118,100	112,800	139,000	155,000	167,400	176,800	180,300	191,000	199,200
25+	125,100	128,300	134,100	149,900	162,800	171,700	186,800	206,300	199,600

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The annual salary survey is based on employed, salaried geoscientists and is based on salaries alone. It does not include bonuses, overrides, employee benefits, autos or other perquisites.

It does not attempt to include anyone whose compensation is in the form of consulting fees, retainers or overrides.

Digging Deeper

The 0-2 year experience levels showed a small increase – average salaries for that category were up 6.2 percent.

“Recently graduated bachelor level geologists had a difficult time finding work,” Ayling said, “and the few that did worked for lower salaries, depressing the overall average.”

He pointed out that a master’s degree is the “working degree” for petroleum geologists, and also noted that in the average salary by degree for the 15-19 year experience group was nil this year “because there weren’t any bachelor’s geologists in that grouping to chart.”

Otherwise on the hiring scene, Ayling said the activity was somewhat dampened due to regulatory uncertainties and the ambiguities of an ultra-high oil price and the bargain-basement gas prices.

The market dynamics of companies shifting focus from gas to oil and the resulting debt from buying expensive product have created somewhat of a manpower muddle as the companies geologists’ skill sets to redefine a focus and the need for shift.

Meanwhile, as the AAPG salary survey indicates, the demand for petroleum geologists continues.

The survey is based on U.S. salaries only, considered the “gold standard” for the industry. The measurement for international salaries for explorationists is virtually on a country-by-country, case-by-case basis, Ayling said, which makes statistical averaging non-productive beyond the boundaries of any specific country.

Also, many ex-pats are paid U.S.-based salaries, while the national oil companies opt to pay compatriots on a different, lower scale