



Supply needs more than just an oil reserve

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With the growing need for more oil exploration and drilling to supply the demands for oil from a greater number of wells there is also a greater need for the skilled workforce that will carry out this work.

There is a story about this in [Rig Zone](#) today quoting a report by Herold. The problem that is arising is

Despite strong drilling activity, record natural gas and oil prices and the largest cash flow in industry history, employment by the largest U.S.-based producers declined 4.1% in 2004, the 20th annual decline in the past 23 years, according to consultant John S. Herold Inc.

It then goes on to say

Although the study showed that overall college enrollment in geology, geophysics and petroleum engineering studies has fallen 26% since 1999 -- 44% since 1986 at the Colorado School of Mines -- there are "encouraging signals of a nascent turnaround."

Among the findings were Royal Dutch/Shell Group's January announcement of an intention to hire more than 1,000 petroleum engineers to reinforce exploration and production operations. Herold also reported an American Association of Petroleum Geologists survey showing that entry-level geologists earn an average of \$65,600 per year, a 24% increase since 1999 compared with an average 10% rise among all experience levels.

However, as those who teach at universities know, starting to grow a program will not generate the engineers that are needed within a week, a month, or even a year. And there is this

Can you blame a petroleum engineer who graduated in the mid-1980s -- bruised and battered over the years by layoffs and endless job searches -- from dissuading his children from entering the oil patch now despite the current good times?" asked Aliza Fan, co-author of the Herold study.

And there is another problem in that many who worked on ways of ameliorating the last Energy Crunch have now either retired or moved on to other things.

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