

**The Rest of the Story:  
The Remarkable Nevada Revenue-Stamped Lease and its Extraordinary Backstories**

- Exhibit Plan**
1. Leasing the water
  2. Transporting the tailings: Woodworth Mill Flume
  3. Sluicing the tailings: Woodworth Sluice
  4. Extracting the silver and gold: Woodworth Mill
  5. Mill land patent via Sioux half-breed scrip!
  - 6.1 Infusion of capital (I): mill mortgage to Comstock titans John Mackay and James Fair
  - 6.2 Infusion of capital (II): mill mortgage agreement signed by Mackay, Fair and Hobart!

**Purpose.** This exhibit describes a philatelically extraordinary 1870 water lease made at Virginia City, commercial center of Nevada's fabled Comstock Lode, and explains its multi-layered backstory, not merely in words, but via an array of documents, each philatelically and/or historically significant in its own right.

Together they describe the ambitious project of lumber and mining magnate **Walter Hobart**, supported by Comstock titans **John Mackay** and **William Fair**, to transport mill tailings from Gold Canyon, near the Comstock, via a 3.5-mile flume to the Carson River for specialized processing.

**Red type: Read me!**

**1. Virginia City, Nevada: Water Lease**

**Sole recorded example of the unintended discrepancy between the U.S. and Nevada stamp tax rates, fortunately magnified by five-fold errors in figuring the tax!**

**Sole recorded 25¢ roulette 18 multiple on document**

Left, March 1870 lease by Virginia & Gold Hill Water Co. to W. S. Hobart, of water from Gold Canyon at or near discharge of Trench Mill, Silver City, rent \$100 per month for five years:

- U.S. tax \$15 paid by \$5 Charter Party (x3)
- Nevada tax \$2.50 paid by \$1 roulette 10 pair plus 25¢ roulette 18 pair

Inset: close view of 25¢ pair

**1.1 Nevada Legislative Error: "Annum" Means "Year"!**

The U.S. Lease stamp tax was 50¢ for the first \$300 rent per annum, plus 50¢ for each additional \$200.

The Nevada 1865 statute mimicked the U.S. as usual, but substituted "month" for "annum," almost certainly in error, thus markedly reducing the state tax relative to the federal, since the rent per month was only one-twelfth that per year. This discrepancy would be corrected in 1871.

**1.2 Stamping Error: Tax based on Total Rent, Not Annual Rent!**

The taxes paid here were erroneously based on the \$6,000 five-year rent, thus \$15 U.S., \$2.50 Nevada, instead of the \$1,200 annual rent; the required taxes were only \$3 U.S. and 50¢ Nevada!

**1.3 25¢ Roulette 18 Sole Recorded Multiple**

The 25¢ roulette 18 has been recorded on just seven documents, this the only multiple. The gauge 18 appears to have been a short-lived experiment circa late 1869, used only on the 2¢, 25¢ and 50¢; on-document examples are rare.

**Lease Tax Appropriate?**

A "water lease" is legally defined as a right to its use. However the stamp tax schedules refer to "lease, agreement, memorandum, or contract for the hire, use, or rent of any land, tenement, or portion thereof."

Does water qualify as "a land, tenement, or portion thereof"? The simple Agreement tax of 5¢ per page might have sufficed. We can thank the interpretation made here for the remarkable stamp taxes paid!

**2. Why Lease Water?!**

**Leased water carried mill tailings via 3.5-mile Woodworth Mill flume**

This ambitious project transported tailings from 25 to 30 mills in Gold Canyon to a specialized tailings mill powered by the Carson River.

Right, January 1870 certified "Notice & Plat of survey of the Woodworth Mill Flume," by W. S. Hobart Showing proposed course of flume from Bacon Mill in Silver City, some 3.5 miles to "Ophir Mill" near Carson River; required to obtain legal right-of-way on federal land.

U.S. and Nevada general Certificate stamp taxes paid by 5¢ Agreement and Nevada 5¢ green roulette 10

**The Mountain Furnished the Water!  
Background: the Comstock Lode**

The twin cities of Virginia City and Gold Hill sprang up around Nevada's Comstock Lode, a two-mile strip of phenomenally rich mines.



C & C Shaft, Virginia City, 1876 (Carleton Watkins), huge tailings pile right center

**Tailings**

The gold and silver in Comstock ore was extracted in stamp mills via a process only about 65% efficient.

Tailings, the primary residue, were thus potentially valuable, and were accumulated in huge piles awaiting specialized treatment.

**Hobart's Plan**

The Comstock was in the Virginia mountain range at about 6,200' elevation. The adjoining mills were all steam powered.

Much larger, more economical mills harnessed the motive power of the Carson River, some four miles distant and 1,600' lower in elevation.

Hobart's leased water thus transported tailings from Gold Canyon to the Carson simply via gravity.

**How the Mountain Furnished the Water**

There were no watercourses in the region other than a few trivial streams. However, torrents of water flowed from the Comstock's deep mineshafts. A much-needed clear flow was the region's only relatively pure source. A hugely greater, scalding hot, mineral-laden flow from the lower depths plagued nearly all mines, pumped to the surface at great cost, with the side benefit of providing water for the mills. This was the source of the water leased by Hobart for his flume.



Payable in U. S. Gold Coin.

Always on hand, of careful selection,  
**BUTTER, CHEESE, HAMS,  
 LARD, BACON,  
 Pie and Preserved Fruits.**  
**CLOTHING, - DRY GOODS,  
 Cutlery, Tobacco.**  
**MILL FIXTURES**  
 CORN AND OAT MEAL,  
**RYE AND BUCKWHEAT FLOUR.**  
 COAL, LARD AND CASTOR OILS,  
 DRESS TRIMMINGS, YANKEE NOTIONS, ETC.

Silver City, Nev., *March 31 1870*  
*McWoodworth Sluice Co*  
**Bought of McDUFFIE, HASTINGS & CO.,**  
 DEALERS IN  
**Groceries, Provisions,**  
 Dry Goods, Hardware, Boots and Shoes, Hats,  
**WINES and LIQUORS.**  
 Interest charged after 30 days. Goods Delivered Free of Charge.

March 1	175 = 50 Parley	3 1/2	5 69
4	12 Kegs 10 1/2 Hails	7 1/2	15 00
5	50 = 40 1/2	7 1/2	37 50
8	20 = 40 1/2	28	5 60
9	Tacow Blankets		40
11	7 Kegs 40 1/2 Hails	7 1/2	52 50
12	10 1/2		7 50
14	10 1/2		16 50
15	175 = 50 Parley	3 1/2	5 69
16	10 1/2		16 50
17	50 = 20 1/2 Hails		37 50
21	1 Keg 20 1/2 Hails		3 50
25	195 = 40 1/2 Parley	6 3/4	14 1 1/4
	6 Kegs 40 1/2 Hails	7 1/2	45 00
			70 39
			226 87

*Correct*  
*J. D. Bodwell*  
*226 87*  
*3-2*  
*Lain West*  
*James*

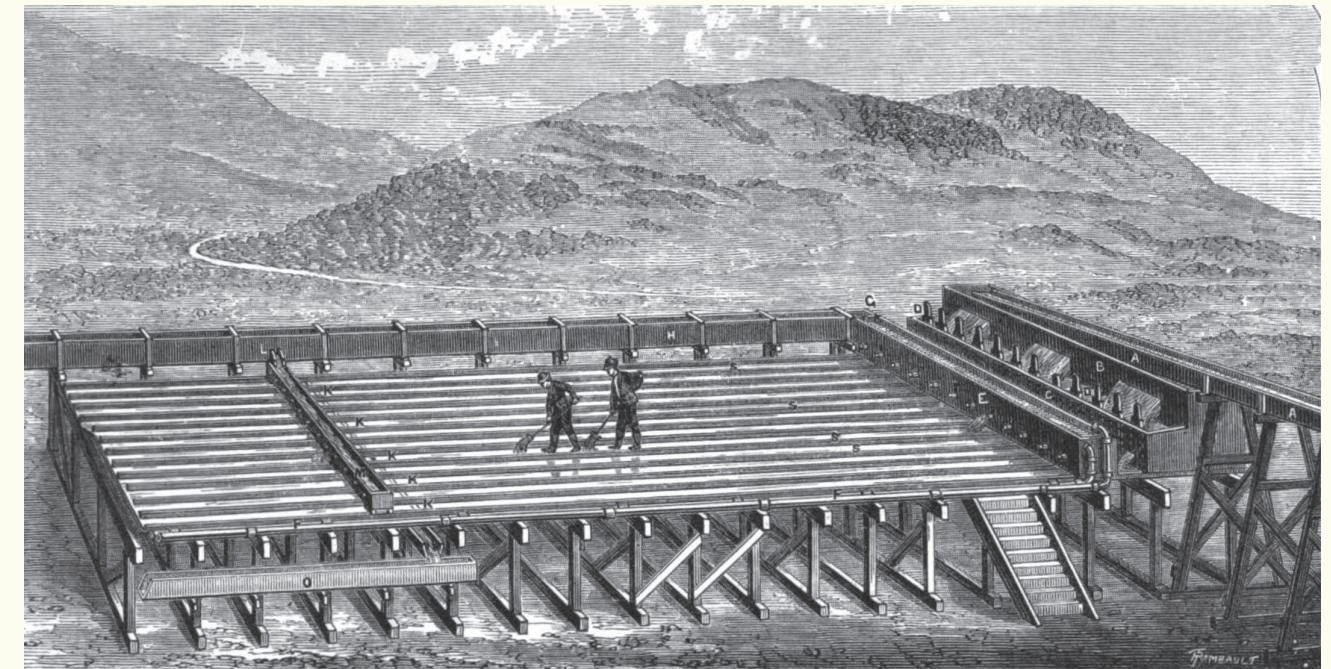
**3. Where/How Were the Tailings Processed? (I)  
 The Woodworth Sluice:  
 Preliminary Processing of Tailings**

The Woodworth Sluice, illustrated and described below, was the largest tailings sluice in Nevada (and the world).

Sole recorded Silver City handstamp cancel

Left, March 1870 receipt, Silver City, Nevada, to Woodworth Sluice Co. U.S. and Nevada Receipt 2¢ stamp taxes, the latter paid by scarce 2¢ Double Star orange roulette 18, with oval handstamp cancel "MCDUFFIE, HASTINGS & CO., SILVER CITY, Nev."

Right, close view of Nevada stamp, showing fine gauge 18 rouletting

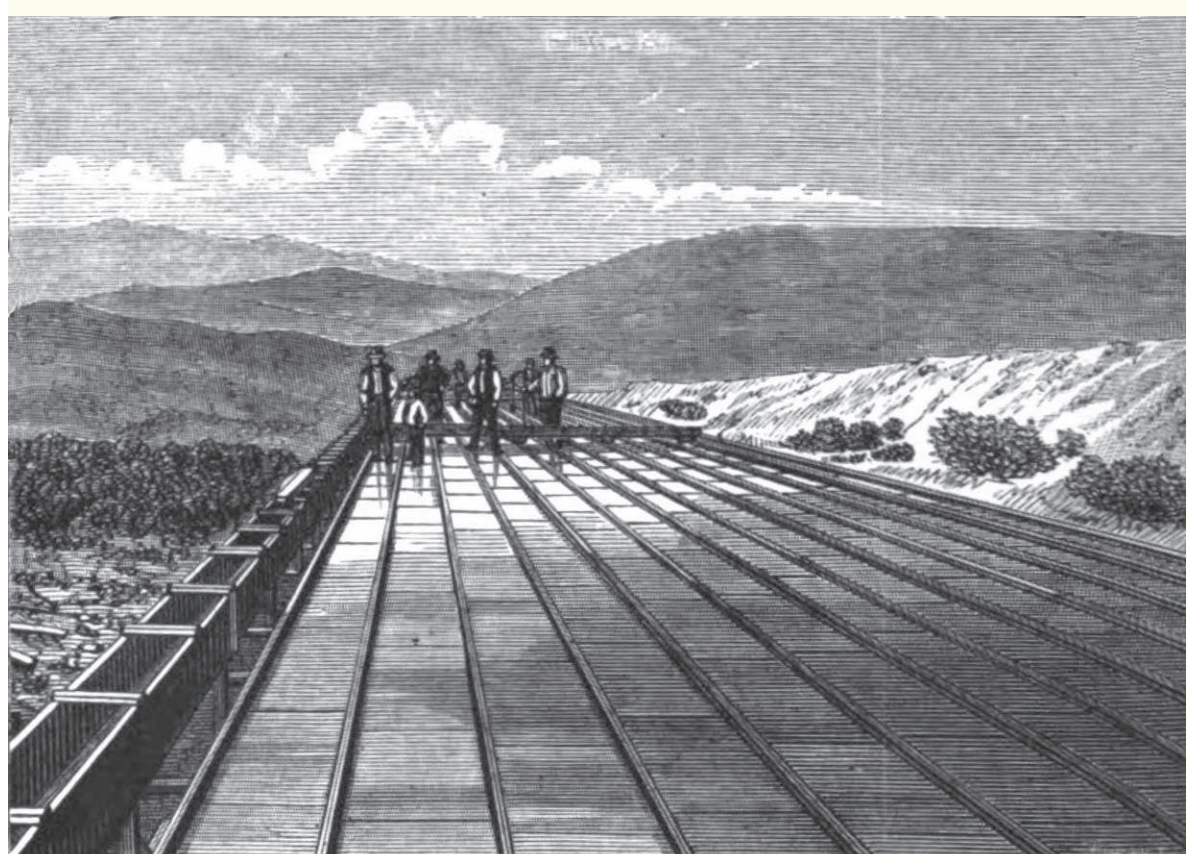


Upper Section of Woodworth Sluice (Egleston, 1887)

Terminus of 3.5-mile Woodworth Flume at far right, from which tailings flow onto the blanket-covered sluices, along with water.

**Golden Fleece Revisited**

As workers sweep the blankets, the heavier gold- and silver-containing material is caught in their nap, and washed from the blankets every 12 hours. (The same principle underlay the ancient use of sheepskin to catch gold particles, believed to have inspired the mythical Golden Fleece.)



Middle Portion of Woodworth Sluice, (Egleston, 1887)

Overall dimensions 22 feet by 1,700 feet, consisting of twelve sluices 19 inches wide. The hundreds of blankets, each six feet by 20 inches, were cleaned every twelve hours. The concentrate thus obtained was processed in the nearby Woodworth Mill.

**4. Where/How Were the Tailings Processed? (II)  
 "New Ophir"/Woodworth Mill, Carson River**

To process the concentrate sluiced from the Gold Canyon tailings, Hobart bought from the Ophir Silver Mining Co. "the property on Carson River ... now known as the "Woodworth" or "Ophir" Mill. ..."

Nevada \$10 recorded on just seven documents

Right, October 1869 deed for "Ophir" or "Woodworth" Mill on Carson River, situated on 525 acres,

Ophir Silver Mining Co. to W. S. Hobart, amount \$13,000

- U.S. tax \$13, paid by two \$5 Conveyance imperforates plus \$2 & 3/4;
  - Nevada tax \$13, paid by \$10 imperforate & six 50¢ roulette 10
- all affixed in San Francisco, tied by partial "OPHIR" datestamps

**The Fabled Ophir**

The Ophir, named for the Bible's land of gold, site of King Solomon's mines, was the richest of the early Comstock mines. Thirty-eight tons of its ore packed across the Sierras in 1859 yielded \$112,000 in San Francisco, a stratospheric \$3,000 per ton. The bullion therefrom, displayed in the windows of bankers Alsop & Co., were key triggers of the "rush to Washoe." Virginia City had in fact been known as "Ophir Diggings" until being famously renamed by "Old Virginia" Finney in September 1859.

Flush with success, the Ophir's owners spared no expense in constructing a \$500,000 mill in Washoe Valley, which proved inefficient and was abandoned, replaced by the "new Ophir Mill" on the Carson referred to here. By 1869 the Ophir had fallen on hard times. Along with the deed shown here, the "Hobart Find" included one with matching date for the remnants of the original Ophir Mill for a mere \$12,000.

The involvement of this legendary mine, albeit in a secondary role, adds an exciting facet to the story told here.

photocopy of reverse

Mining Company" since and now known as the "Woodworth" or "Ophir" mill

This Indenture made this twenty third day of October in the year Eighteen hundred and sixty nine. Between the Ophir Silver Mining Company a corporation organized and existing under and by virtue of the Laws of the State of California, engaged in the business of mining and milling in the State of Nevada, of the first part, and W. S. Hobart of the City of Virginia, County of Storey and State of Nevada of the second part.

Witnesseth. That the said party of the first part for and in consideration of the sum of Thirteen Thousand Dollars, to it paid by the party of the second part, the receipt whereof is hereby acknowledged, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell and convey to the party of the second part, his heirs and assigns forever,

All that certain property on Carson River, in Lyon County State of Nevada formerly known as the property of the "Carson River

Close view of Nevada \$10

5. How Was the "New Ophir Mill" Patented?

Deeds for Land on which Ophir Mill Stood, Patented via Minnesota Sioux Half-Breed Scrip!

The bizarre, amazing use of Minnesota Sioux Half Breed scrip to secure Nevada land patents is well covered in the annals of Minnesota, but almost entirely unmentioned in the vast literature on the early history of Nevada, until the appearance of articles and monographs by the exhibitor.

Three first-generation Sioux Half Breed scrip deeds recorded

Left and below, matched pair of June 1867 deeds to Ophir Silver Mining Co. from Sioux half-breeds Lucy Frazier and William Brisbois, of Minnesota and Wisconsin, amounts \$400 and \$1,442.50,

executed by land speculator William S. Chapman as their attorney in fact

U.S. and Nevada Conveyance stamp taxes of 50¢ per \$500. The state stamps are the 50¢ imperforate purple brown.

"Rosetta Stone" Deed

The Brisbois deed serves as the "Rosetta Stone" link to the Sioux scrip, stating the land conveyed was:

"mentioned and described in the Patents, dated October 10th AD 1866, issued by the United States to said Brisbois ... made with Sioux Half Breed Scrip or Certificates No. One letters A, and E, and B, and C, issued to said Brisbois"

Minnesota Sioux Scrip in the West: the Perverse Genius of William C. Chapman

At its creation in 1861, Nevada was virtually all federal land. For mining property, securing title was relatively easy; only minimal developmental work was required.

For non-mining property, securing title was typically problematic.

Enter land speculator William S. Chapman, originally of Hennepin County, Minnesota, whose genius was to use Sioux half-breed scrip, valid on any federal land, to obtain patents on large Nevada timber tracts, and as shown here, for the land on which the "New Ophir" Mill stood.

Sioux Half-Breed Scrip

In 1830 Minnesota had set aside 320,000 acres for Sioux half-breeds, to remedy their shunning by the white and native populations. When squatters occupied prime sections, the state in 1854 issued scrip to the Sioux for up to 640 acres of unimproved federal land.



The 1830 "Half-Breed Tract" in green (Royce, 1899).

Its sale was prohibited, but speculators circumvented this via powers of attorney giving them control. Large amounts were thus obtained, typically for only about 50¢ per acre, from the impoverished Sioux, unaware of its potential value. Speculators went so far as to scour the Fort Snelling internment camp, in which hundreds of destitute Sioux were held after the Dakota War of 1862, for their scrip.



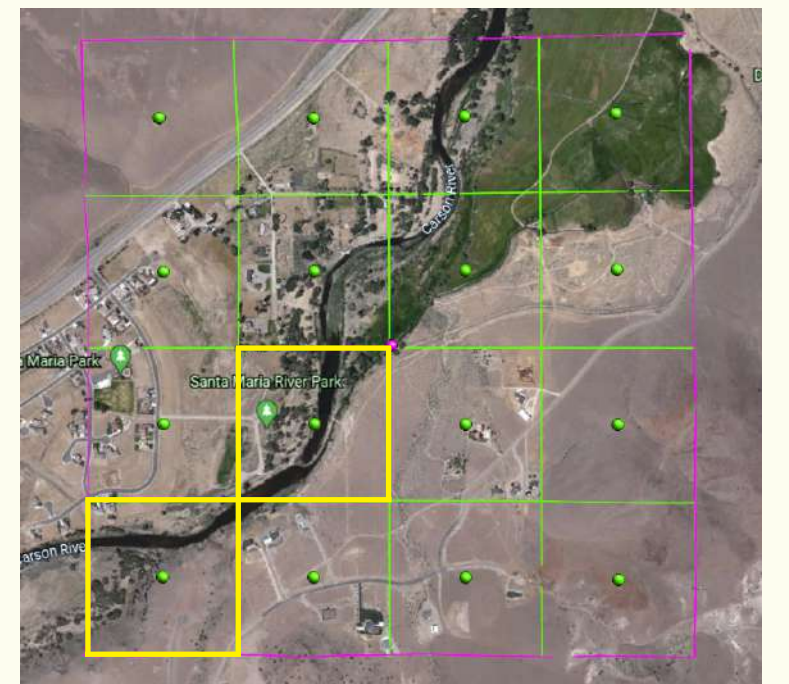
Fort Snelling internment camp circa 1862 (Minnesota Historical Society)

Chapman was the driving force for the use of the Sioux scrip in the West.

Where Were These Lands, and Why Was the Ophir Company Buying Them?

They included a long continuous sweep along the Carson River, precisely where the "Ophir Mill" was situated!

The deeds describe the parcels in BLM coordinates Range, Township and Section. Using the Township and Range feature on www.earthpoint.us, then visualizing on Google Earth, yielded the view shown below for two quarter-sections of Range 21E, Twp 16N, Section 26, comprising 80 acres included in the Brisbois deed outlined; they lie along the Carson River about a mile above Dayton.



Close view of Sec. 26; SW¼ & NE¼ of SW¼ in yellow, lying along the Carson River

Cobbling together several such maps of all the acreage conveyed to the Ophir by Brisbois and Frazier in the two deeds at hand shows that it included a long continuous sweep along the river, precisely where the "New Ophir Mill," was situated!

When the mill was sold to W. S. Hobart, as shown by the deed on the preceding page, these deeds to the land on which it stood were undoubtedly included, and survived together in the "Hobart Find" that reached philatelic hands circa 2019.

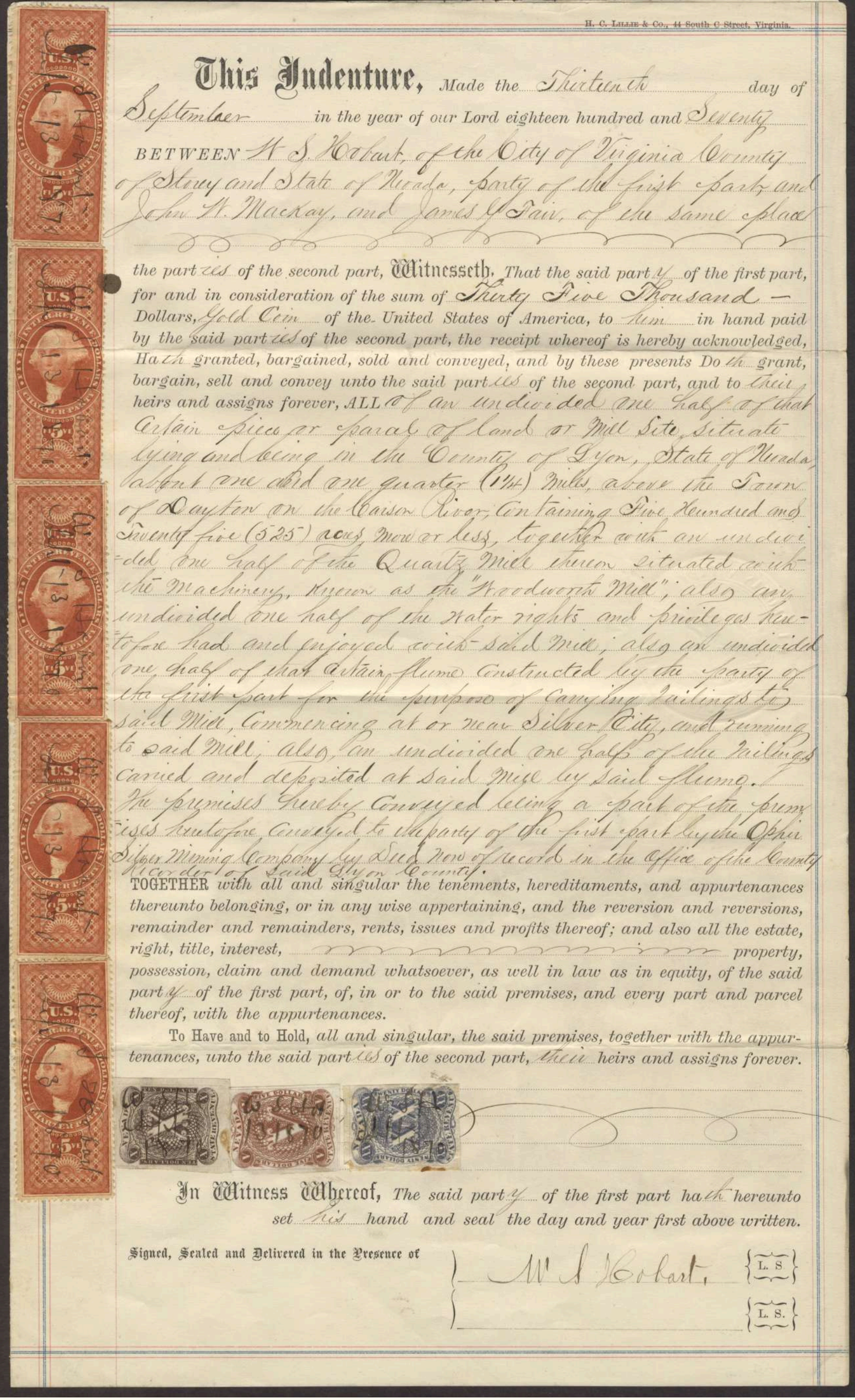
This Indenture, Made the First day of June One Thousand Eight Hundred and Sixty Seven BETWEEN Lucy Frazier of Renville County, Minnesota of the First Part and The Ophir Silver Mining Company of the second part, Witnesseth, that the said party of the first part, for and in consideration of the sum of Four Hundred (400.) Dollars,

This Indenture, Made the Twenty Sixth day of June in the year of our Lord one thousand eight hundred and Sixty Seven Between William M. Brisbois of the City of Prairie Du Chien in the County of Crawford in the State of Wisconsin of the First Part and The Ophir Silver Mining Company

the party of the second part, Witnesseth, That the said party of the first part, for and in consideration of the sum of Fourteen Hundred and forty two and a half (1442.50) Dollars, Gold Coin of the United States of America, to him in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, had granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents do grant, bargain, sell, alien, remise, release, convey and confirm unto the said party of the second part, and to his heirs and assigns forever, all those certain lots piece or parcel of land, situate, lying and being in the County of Lyon in the State of Nevada State of California, and bounded and particularly described as follows, to wit:

The North West quarter of the North East quarter of Section No Thirty Four (34): and the South East quarter of Section No Twenty Seven (27): and the South West quarter of the South West quarter and the North West quarter of the said South West quarter of Section No Twenty Six (26): and all that part of the North East quarter of the said South West quarter of Section No Twenty Six (26) bounded and described as follows, to wit: Commencing at a point on the quarter section line Nine (9) chains and Three and a half (.03 1/2) links West of the Centre of said Section No Twenty Six (26.) and running thence South Twenty Six (26) degrees and Thirty Four (34) Minutes West Eleven (11) chains and Eighteen (18) links, thence West and parallel with said quarter section line Six (6) chains to the quarter-quarter section line, thence North on said line last mentioned Ten (10) chains to the North West corner of said quarter-quarter section last mentioned and thence East, Eleven (11) chains to the place of Beginning All in Township No Sixteen (16) North of Range No Twenty One (21) East-Mount Diablo Meridian - Containing Two Hundred and Eighty Eight and a half (288.50) acres of Land. Being the same Lands (except as to part of said North East quarter of the South West quarter of Section No Twenty Six (26)) mentioned and described in the Patents, dated October 10th AD 1866, issued by the United States to said Brisbois on the several Locations made with Sioux Half Breed Scrip or Certificates No One (1) Letters A, and E, and B, and C, issued to said Brisbois.

"mentioned and described in the Patents, dated October 10th AD 1866, issued by the United States to said Brisbois ... made with Sioux Half Breed Scrip or Certificates No. One letters A, and E, and B, and C, issued to said Brisbois"



**6.1 Financing of Ophir Mill  
Infusion of Capital (I):**

**Mortgage of Woodworth Mill by W. S. Hobart to Comstock Titans John Mackay and James Fair**

Mackay and Fair were already titans of the Comstock, soon to be immortalized as architects of the fabled "Big Bonanza" of 1873-8 which produced over \$100 million. Mackay's three-eighths share would make him arguably America's richest man, with Fair's quarter share placing him not far behind.

Nevada \$20 recorded on just six documents, \$10 on seven, \$5 on twelve; only one other bears all three.

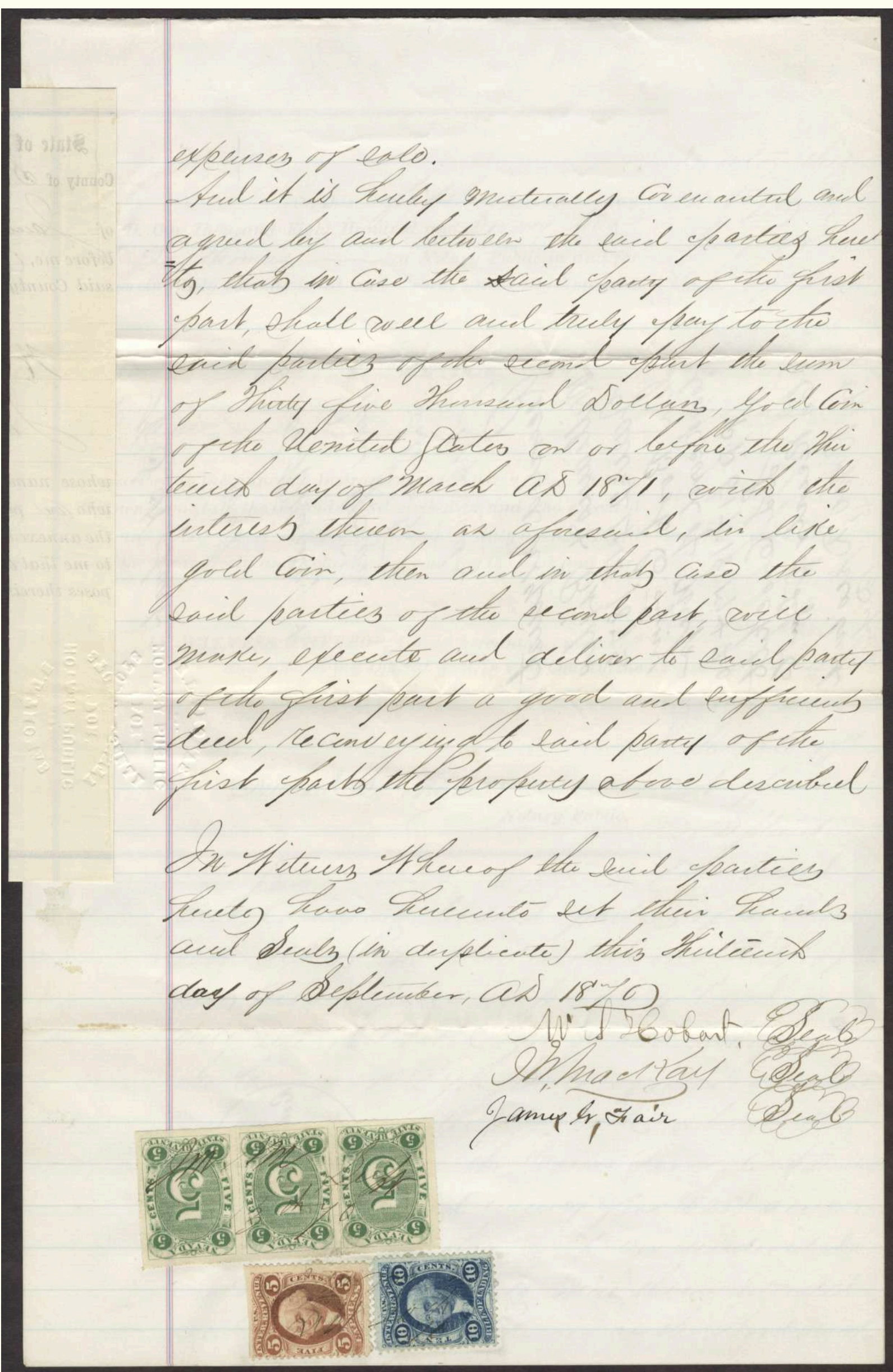
Left, September 1870 mortgage of half interest in the Woodworth Mill, "heretofore conveyed by the Ophir Silver Mining Co.," W. S. Hobart to John W. Mackay and James G. Fair, amount \$35,000, to secure a loan in that amount at 1% per month; if paid by March 1, 1871, Mackay and Fair were to execute a deed back to Hobart for the property.

Included were the flume constructed by Hobart "carrying tailings to said Mill, commencing near Silver City"; also the tailings carried thereby. This is the "Woodworth Flume" described above.

- U.S. tax \$35, paid by \$5 Charter Party (x5), and ten \$1 stamps on the reverse
- Nevada tax \$35, paid by \$20, \$10 & \$5, the highest-value denominations of the Nevada stamps



Close view of Nevada \$5, \$10, \$20



**6.2 Financing of Ophir Mill  
Infusion of Capital (II):**

**Woodworth Mill Mortgage Agreement Signed Mackay, Fair and Hobart!**

Signatures of Mackay and Fair have been recorded together on only two documents, here with Hobart as a bonus!

As shown above, on September 13, 1870, Hobart had executed a mortgage deed to a half interest in the Woodworth Mill, Carson River, for \$35,000, to John Mackay and James Fair.

By the agreement shown at right, made the same day at Virginia City, Mackay and Fair agreed to deed this half interest in the Woodworth back to Hobart if paid \$35,000 by March 1, 1871.

The federal and state Agreement 5¢ taxes appears to have been paid three times, once for each of the parties.

- U.S. 10¢ & 5¢
- Nevada 5¢ green roulette 10 strip of three



John Mackay



William Fair



Walter Hobart

**Epilog: Behind-the-Scenes Role of "Silver Kings" Mackay and Fair**

These two documents hint at the important role played by Mackay and Fair, two of the most prominent figures in the annals of Nevada, in the tailings recovery project profiled here:

- In 1869 they had bought a major interest in the Virginia and Gold Hill Water Co., which leased the water to Hobart for the Woodworth Mill Flume. In 1871 the company would be reorganized with Hobart joining Mackay and Fair as directors.
- As shown herein, in October 1869 Hobart paid just \$13,000 for the Woodworth Mill. His September 1870 mortgage to Mackay and Fair of a half-interest for \$35,000, also shown here, appears to have been essentially a generous loan to a friend. In fact, in the months prior, Hobart had executed a similar mortgage to L. P. Drexler for just \$10,000! (not shown).

Mackay and Fair, along with lesser partners James Flood and William O'Brien, are justly legendary as Nevada's "Silver Kings"; adjusted for inflation, all four are still listed among the 100 richest Americans of all time. Their involvement adds an exciting and unexpected final twist to the unfolding backstory underlying W. S. Hobart's philatelically remarkable water lease.