Managing a Gold Rush: Mining on the Maxwell Land Grant, New Mexico 1867-1920

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Gold rushes in the nineteenth-century American West typically occurred on what was perceived by those heading for the strikes to be public domain, the “free land” of Frederick Jackson Turner. Often this was not the case, but Indian claims were either ignored by miners or extinguished by the federal government. Private landholders caught in the tidal wave of miners, such as California’s John Sutter, often had little success in defending large estates. At best they could usually claim some of the richest ground for their own. In New Mexico, however, proprietors of large Spanish and Mexican land grants could influence the development of mining on those lands. Such is the case of the Maxwell Land Grant Company of northern New Mexico and the Elizabethtown mining district, which lay on the company’s land. This fact was crucial to the development of the mines, as the management of the grant, seeking to profit from mining leases and land sales, kept mining going through promotional efforts and their own endeavors long after problems of limited deposits and transportation would have shut down similar districts. The story of mining at Elizabethtown is inextricably tied to the Maxwell Grant.

The rush to Baldy Mountain, the peak on whose flanks Elizabethtown lay, began in the spring of 1867. Ex-soldiers from James H. Carleton’s California Column prospected below Baldy the previous fall and discovered placer loads in the Moreno Valley.1 Within weeks a full-blown mining rush was underway and the new community of Elizabethtown, named for the young daughter of the camp’s first store proprietor, sprouted and then flourished. The boom around Elizabethtown looked like many others in the West as miners descended on the new camp, took up claims, organized a local government, and set up regulations as they would in any other mining town.2 But in the unique environs of New Mexico the concept of public domain was soon overshadowed by the issue of Mexican-era land grants. The land of the Moreno Valley lay just twenty miles from the sleepy, pastoral home of Lucian B. Maxwell at...
Cimarron.

Maxwell, a former scout and friend of Kit Carson, owned a vast estate in northern New Mexico, the boundaries of which were not clearly defined. He had married Luz Beaubien, daughter of Charles Beaubien, who was a prominent businessman in Taos. In 1841 Beaubien and a partner, Guadalupe Miranda, submitted a petition for a large grant of land on the eastern edge of the Sangre de Christo mountains. It was quickly approved, as the Mexican government was trying to promote settlement on the northern frontier to fend off American commercial and territorial encroachment. In 1843 Beaubien and Miranda took possession of the grant. The boundaries were vaguely defined, a fact which would create endless controversy in the following half-century.

Miranda played almost no part in the grant’s development, and by 1850 Beaubien had turned to Maxwell to manage the land. Maxwell bought Miranda’s share, and upon Beaubien’s death in 1864 bought the shares of Beaubien’s other children. Throughout the 1850s and 1860s, Maxwell developed his holdings and built a substantial enterprise. His palatial dwelling on the south bank of the Cimarron River became a regional landmark. By 1866, Maxwell firmly controlled the grant, upon which he had built an empire based primarily on agriculture. Maxwell ruled his estate like a feudal lord. He could be a tyrant at times, but was generally a benevolent landlord to the primarily Hispanic settlers. The discovery of gold on his ranch brought new opportunities for wealth, but it also complicated administration of his property and shattered the relative peace and quiet he enjoyed on the Cimarron.

When gold was discovered in the Moreno Valley, Maxwell paid little attention to events on the western slope of Baldy Mountain. During the first days of mining in 1867, Maxwell was passive, possibly because he was uncertain whether his title covered the Moreno Valley. Maxwell did assert his ownership on Baldy’s eastern slope, away from Elizabethtown, and he was the principle shareholder in the Aztec mine, the richest mine on the mountain. But the changes resulting from the gold rush forced him to reevaluate his various enterprises, and he soon realized that he could no longer control the activities on his property. By 1869 he began marketing his huge estate. Although he had decided to sell the tract, questions remained concerning the actual size and even the legality of the grant. Maxwell may have known this and decided to sell quickly for a handsome profit, thus avoiding a lengthy struggle in which he could lose most of his property. In May, 1869, Maxwell granted an option to buy the grant to a trio of Coloradans. The mining properties probably attracted the group, since they were all prominent mining men,

Elizabethtown, New Mexico, circa 1900. Courtesy Seton Museum and Library, Cimarron, New Mexico.
among them Jerome Chaffee. In effect, Chaffee and his associates, George M. Chilcott and Charles F. Holly, acted as salesman working on consignment for Maxwell.5

They soon found willing buyers in an English syndicate.7 Since territorial laws prohibited foreign nationals from holding property, three New Mexicans were chosen to front for the English buyers. They included William Pyle, the Territorial Governor, and John Watts, the Chief Justice of the State Supreme Court.10 Under this arrangement, the Maxwell Land Grant and Railway Company assumed control of the property.

The transfer of title came as mining in the Moreno Valley declined sharply. The rich, accessible deposits had disappeared, water supply problems continued to hinder development, and poor returns from the lode prospects meant a steep drop in gold production. In the first few years, the district averaged well over $250,000 per year. In 1871 the district produced $210,000, but in 1872 only $100,000. Furthermore, limited transportation complicated the arrival of the heavy equipment needed to exploit the lodes. In 1870, Colfax County accounted for 60 percent of New Mexico’s gold production, but by 1872 that figure dropped to only 20 percent.11 The new ownership changed the entire region as the company set out to develop the resources of the grant, which also included coal deposits, and timber, ranch, and farm lands. The new management began its tenure by asserting its claims to all of the property in the district, sparking a conflict with the miners and farmers already settled there. The Baldy district became embroiled in the turbulent affairs of the new Maxwell Land Grant and Railway Company. As the Maxwell Company began to assert control over the lands of Colfax County, many miners entered the network of resistance with other settlers on the grant.

The details surrounding the conflict that arose between the settlers and the new owners of the land are complex and sometimes murky. The key issue was essentially the validity of the Maxwell, or Beaubien and Miranda, grant, and it was tied to the much larger question of land grants in New Mexico. Under the Treaty of Guadalupe Hidalgo, the U.S. agreed to honor the grants as a condition of the annexation of New Mexico. But how much land did Beaubien and Miranda receive? Mexican law allowed only eleven leagues of land for colonization grants, but those selling the Maxwell Grant in 1870 contended that the tract encompassed some 450 leagues. Many feel the Santa Fe Ring, the powerful group of Territorial lawyers and politicians, used its influence to have the original grant parlayed into a much larger tract.12 Eventually, the English company received title to some 1.7 million acres, that extended into southern Colorado.

When the Maxwell Company assumed ownership in 1870, it found a sizable population already entrenched on the property. Maxwell made arrangements with some of these, but many, including most of the miners, took up residence as though it were the public domain. The company then tried to collect rents from the “squatters,” or, if they refused, to evict them. Some have compared the conflict to the American Revolution.13 After a long period of neglect, the settlers, like the American colonists, resented the attempts of the Maxwell Company to regulate their activities.

The new company planned to profit from its holdings in several ways, including land sales and the collection of small duties from the miners, farmers, ranchers, and loggers operating on the land. The stance of the new Maxwell Company probably drove many miners from the area, or at least contributed to their decisions to leave. After the new company took over in the spring 1870, the owners set about asserting their right to collect rents from the residents of the grant, none of whom had titles to the lands which they farmed or mined. Attempts to collect rents on these properties met with much resistance, and soon the company delivered eviction notices to the uncooperative parties. This was the first salvo in a decade of violence and turmoil in Colfax County.

The company’s assertions produced an explosive reaction in Elizabethtown. The residents charged that the new company might be “a Wall Street speculative swindle, akin to those that have plagued Colorado.”14 In early September, 1870, the miners met at “Etown,” as it was informally called, discussed the matter, and concluded that the federal government should survey and patent the grant. The company sent notices to all miners ordering them to report their claims to the company agent by September 10. On October 27 a riot broke out in the community when angry miners set fire to the company sup-
porters' homes. A detachment of soldiers from Cimarron hastened to E-town to restore order.

Peace around Baldy proved elusive, however, as trouble again erupted the following spring. In January, 1871, a group of miners agreed to resist any attempts by the company to collect royalties from the miners' claims. That April, the Maxwell Company sent employees to Ute Creek on the eastern slope to begin working the placers, but they met with armed resistance from the miners, who then held the company men hostage. With this act, the company called for state militiamen. In the meantime, New Mexico Governor Pile jumped on a stage and traveled to the scene.15 The governor stayed off a violent confrontation by issuing a proclamation that ordered the miners to disband their resistance organization and to submit their claims to the courts. Pile also sent troops from Fort Union to be stationed in the area to keep the peace, and the soldiers were directed by the governor not to take sides in the issue. Even though the territorial government remained neutral, many in the territory seemed reluctant to irritate the Maxwell Company. The Santa Fe Daily New Mexican condemned the miners' organization and argued that the law should uphold the company's ownership. The editorial also noted that New Mexico should treat the Maxwell Company well because it invested some $10,000 monthly in the territorial economy.16 The conflict created an environment that was less conducive to a healthy mining industry. As was common throughout the West, government and local boosters were quick to mollify the major capitalists.

From these early disputes grew a conflict which dominated the area for more than a decade. The "war" climaxed in 1875 with the murder of Reverend F. J. Tolby as he rode from Elizabethtown to Cimarron. Tolby was a Methodist minister and an outspoken critic of the company. He used his pulpit to denounce the Maxwell Company, and often argued that the grant belonged to the Ute and Jicarilla Apache Indians. His murder touched off a series of company versus settler killings. Later, an 1887 U.S. Supreme Court decision affirmed the Maxwell Company's title to the grant. Resistance eventually crumbled. Miners and settlers either left the area or came to terms with the company to buy or lease their property.17

By the mid-1870s Elizabethtown was bust, with the major deposits worked out, and the Maxwell Company having driven most of the miners away. But having exerted control over their holdings, the English owners of the company softened their policy towards the remaining miners. The company's managers were content to follow a policy of benign neglect now that control of the district was secured. The few miners remaining kept the district alive during the 1880s, awaiting another bonanza. On both sides of the mountain, a few key players stayed on, making peace with the company, consolidating holdings, and taking control of the limited water supply.

A example of just such an operator was Matthew Lynch, an early prospector in the region and discoverer of the Aztec strike.19 Lynch used his share of the Aztec profits to invest in placer claims around Elizabethtown, which he bought at low prices when the district waned in the early 1870s. He was then able to monopolize the water supply as the number of outfits demanding water declined.19 Lynch's operations were successful enough to attract the attention of the Maxwell Company, then under the direction of Washington, D.C., speculator Frank Sherwin. Sherwin took advantage of the company's financial and legal troubles in the mid-1870s to buy large blocks of stock and maneuver himself into the company's presidency. The Lynch outfit appeared to be a sure winner, so Sherwin approached Lynch with an offer to purchase his enterprise.20

Sherwin's offer was an example of the Maxwell Company's low-risk approach toward its mining fields. The company was very reluctant to invest its own capital in mining. Instead, it preferred to strike deals when a profit seemed likely. This deal was never consummated, however, due to an unforeseen act of nature. Lynch died when a tree fell on him as he prepared the ditch for the 1880 mining season. Lynch's three brothers took over the mining, and operations continued throughout the 1880s. Sherwin resigned in 1885, and the new management did not pursue the Lynch deal.

Throughout the 1880s the district limped along, and the gold fields became marginal to the Maxwell Company's operations. The grant's operators instead concentrated on the rich coal fields around Raton, and the vast range and timber lands throughout the grant. But in the early 1890s gold mining revived when the mines around Baldy again flourished. A
variety of circumstances converged between 1892 and 1894 to stimulate this new activity. The nation plunged into the severe depression of the 1890s, and the repeal of the Sherman Silver Purchase Act redirected mining activities in the west towards gold.

In this climate the Maxwell Company mounted a new campaign to attract developers to the grant, and the gold fields around Baldy featured prominently in the new campaign. In 1892 the Maxwell Company reorganized, placing the capable local attorney Frank Springer in the presidency. This restructuring set the company on its most fruitful period of development. Springer assumed control at a difficult time, as the company was short of cash. Economizing measures were taken in all departments to cut costs, and new promotions of company resources begun.

Springer also looked to the Baldy area for additional income. Since the gold district had never provided significant income for the company, he felt that any ideas to attract miners to the area should be pursued. Springer, seeking to attract Colorado capital, made a generous agreement with a pair of Denver mining investors, W. J. Conner and Captain T. C. Sewell. He offered them a large chunk of the Montezuma vein, one of the richest on Baldy’s eastern slope, for a nominal fee and a variable percentage of the profits. Springer hoped word of the strike would spread throughout the Colorado mining industry as wealthy silver mine owners sought new investments in gold.

Springer also changed company’s mining regulations in order to attract smaller operators and prospectors to assist the development around Elizabethtown. To this end, claim sizes were extended. Under the old regulations, set in 1873, claims were limited to 1,000 feet in length and 100 feet in width. In 1892, this was extended to 1,500 by 600 feet. Once a claim was marked and a ten-foot shaft sunk, the miner needed only to pay a $12 fee at the company office in Raton before taking full possession. The company required the miners to continue working their claims before they could buy them outright. A twenty-foot shaft or tunnel had to be completed and an application for a company survey filed within one year. The company reserved the right to claim extensions at each end of the claim to avoid losing control over vast stretches of the district or, more importantly, to share in any rich veins should the company decide to enter the mining business itself. Occasionally, it also sold these extensions to generate revenue.

Frank Springer then worked with the Santa Fe Railroad, eager to attract freight and passengers to the town of Springer, to promote the district in eastern markets. The railroad published and distributed the new regulations along with a promotional pamphlet. The Maxwell Company subsidized a stage line from Springer to Elizabethtown to facilitate new business, and underwrote a project to improve the road to Baldy Town.

These measures were apparently effective. New faces appeared in the area, ready to pour capital into the district. From 1893 until 1905, more money was invested in Baldy mining than in any period in its history. Just as the Maxwell Company officials hoped, the promotional campaign began attracting some of the Colorado mining establishment. Among the newcomers was Jerome Wheeler, a Colorado capitalist and the figure most responsible for the success of the silver mining camp of Aspen, Colorado. After he arrived there in 1883, Wheeler developed the mining operations so successfully that Aspen soon out-produced its more famous neighbor, Leadville. By the time the silver market collapsed a few years later, Wheeler was well established in Colorado. He was searching for undeveloped gold mines when Baldy drew his attention. In the spring 1894, he bought interests in a number of claims along both Ute and Ponil creeks on the eastern slopes of Baldy. These included the French Henry Mine, one of the oldest mines on the mountain. Wheeler announced he planned to invest $100,000 in developing his new holdings, although he never approached that figure. Still, as a leading Colorado bonanza king, his presence lent credibility to the new boom on Baldy.

This boom of the 1890s, largely manufactured by the Maxwell Company, lasted into 1900. Other outfits tried their hands at mining the area, including efforts to dredge the Moreno Valley. But sparse deposits doomed nearly all of these efforts. The shadow of decline which hung over Baldy darkened even more when a great fire struck Elizabethtown in the fall of 1903. The fire destroyed much of the community on the afternoon of September 1. Elizabethtown was emptied literally overnight for the second time in its history. Many of the miners drifted to
the Red River and Twining districts in Taos County to the north and west of the Moreno Valley, while others found employment as miners in the burgeoning coal fields around Raton, where Phelps Dodge was developing the company town of Dawson.

The demographic decline was permanent, but the drop in production was not. No longer was the Maxwell Company able to attract sizable capital to Baldy Mountain, but the area was in for one last period of spectacular production, this time by the initiative of the company itself. In 1911, the Maxwell Company reopened the Aztec Mine which had been through numerous leases and tenants. Company officials believed there were still some profits to be squeezed out of the mine which had made a small fortune for Lucien Maxwell and several others nearly fifty years before. The company hired J.T. Sparks to manage a systematic reworking of the mine. After two years of mixed results the company fired Sparks and hired one of his engineers, Ernest Deshayes.

In 1914, Deshayes decided to drill new tunnels between older drifts. His workers struck a rich vein, setting the mine off on the most successful run in its history. It netted nearly $1.4 million between 1915 and 1918. Colfax County gold production soared from only $15,000 in 1913 to $350,000 in 1915, an average it maintained until 1918. The actual profit may have been much higher given the possibility of high grading, or stealing of chunks of rich ore by the miners. Deshayes estimated the loss to high grading to be $300,000. The company alerted Wells Fargo, which carried its ore, to watch for any small pieces of ore being sent to the smelter by anyone around Baldy Town.

Because of the strong showing of the Aztec in the years prior to World War I, the mine continued to operate after the U.S. entered the European conflict. The company faced higher taxes, inflated prices, and shortages of materials that were diverted for wartime use. The spectacular run ended as the mine shut down when the influenza epidemic swept through the district in 1918, and no more lucrative ores were found. The postwar depression from 1919 to 1921 deprived the company of capital, as many of its tenants were not able to make payments, and the company abandoned the operation in 1920.

In the final analysis, 1920 marks the end of mining around Baldy Mountain, even though the company worked the Aztec at intervals, and a few miners continued to work claims leased from the company. The Dutch owners of the Maxwell Company began to divest themselves of the burden of running a distant enterprise by selling large sections of the old grant. The last piece of company land (out of the original 1.7 million acres) was 10,000 acres of the old Baldy district which included the Aztec Mine. The company faded into oblivion in 1964 when that parcel was bought by timber executive Norton Clapp and donated to the National Council of the Boy Scouts of America for incorporation into the adjacent Philmont Scout Ranch. The Aztec produced over $4,000,000 during its run, and today the Aztec remains alive with activity as Philmont campers tour one of the mine’s old tunnels.

Conclusion

In the annals of western mining history Elizabethtown is but a minor chapter, another entry on the list of districts that never quite “made it.” It possessed only limited deposits, and no amount of spin doctoring or promotion by the company could disguise that fact. The circumstances surrounding Elizabethtown are unique, but this study does remind researchers to pay attention to land ownership and promotion in other districts. Had Baldy Mountain been in the public domain, mining there may have lasted a far shorter time. As it were, the district did survive to its fiftieth birthday, while were it not for the efforts of the Maxwell Company it might never have reached its tenth.

While exceptional in its land ownership patterns, however, Elizabethtown was typical in leading economic development in the surrounding area. It was the first salvo in the rush to New Mexico for precious minerals. The mining around Elizabethtown attracted the Maxwell Company, who then did much to develop Colfax County. It also built the infrastructure, the roads and communication links which later evolved into a thriving tourist industry around the Moreno Valley and Red River areas. As a marginal mining district it was more closely tied to the local economy, relying on the surrounding area to supply the labor for the small mining outfits. It had a unique history, but its marginality places it alongside dozens of other nearly forgotten districts that shaped the subregions of the West.
Notes


3. The definitive work on Maxwell is Lawrence R. Murphy Lucien Bonaparte Maxwell: Napoleon of the Southwest (Norman: Univ. of Oklahoma Press, 1983).


5. This is not the same Cimarron River of Oklahoma, but rather a local tributary of the Canadian River.


7. As he left no papers, it is unclear just why Maxwell put the grant up for sale. Lawrence R. Murphy stated that he forecasted the difficulties with the title, and his decision to sell was based on this fact; Murphy, Lucien Bonaparte Maxwell, 168.


9. The English later sold out to a Dutch group, and most general accounts refer to the property as Dutch-owned.

10. Ibid., 49.


14. Santa Fe Daily New Mexican, August 5, 1870

15. Santa Fe Daily New Mexican, April 15, 1871.

16. Santa Fe Daily New Mexican, April 15, 1871.

17. For accounts of the war see Pearson, Maxwell Land Grant; Murphy, Philmont, and Morris F Taylor, O.P. McMains and the Maxwell Land Grant Conflict (Tucson: Univ. of Arizona Press, 1979).

18. Santa Fe Weekly New Mexican, September 13, 1870.

19. Elizabethtown New Mexican Miner, Great Souvenir of the Elizabethtown Gold and Copper Mining District (Elizabethtown: The Elizabethtown New Mexican Miner, 1902), p. 2; Van Lint Manuscript, Maxwell Land Grant Company Records, 1871-1966, Special Collections Depart­ment, University of New Mexico General Libraries, 29. Hereafter referred to as the Maxwell Collection.

20. Ibid., 29.

21. M.P. Pels, a liaison for the Dutch shareholders of the Company, reported in 1892 that mine owners from Crede, Colorado, were showing strong interest in the Elizabethtown area. Report of M.P. Pels, Maxwell Collection, April 16, 1892.

22. Springer represented the company in its Supreme Court case in the 1880s, the case which secured the generous title for the Maxwell Company. See Pearson, Maxwell Land Grant, 92.

23. Springer ordered, for example, a seven-mile strip of company land along the Santa Fe Railroad to be irrigated and cultivated intensely in an effort to attract settlers to company lands. Van Lint Manuscript, Maxwell Collection, 71.


25. Regulations for Mineral Prospectors and Intending Locators Upon the Maxwell Land Grant. 1895. Folder 1, Box 45, Maxwell Collection.

26. Santa Fe New Mexican, May 5, 1894; The Gold Mines of the Moreno Valley and Ute Creek Districts, Colfax County, New Mexico, an Illustrated Sketch of the Scenery and Geological Features of the Prosperous Region to be Reached Via the Archison, Topena, and Santa Fe Railroad (n.p., 1894).

27. Volume 134 (Reports), Maxwell Collection, 252.


29. Raton Range, September 3, 1903.

30. Van Lint Manuscript, 81.


32. Van Lint Manuscript, Maxwell Collection, 82.

33. Murphy, Philmont, 205. Philmont is the property of the National Council of the Boy Scouts of America, created in 1938 by a gift from Tulsa oilman Waite Phillips, who had bought a number of ranches inside the old Maxwell grant.