

Bitcoin Ordinals and Inscriptions: How NFTs Arrived on Bitcoin

October 10, 2026 · Document #410 · bip39-phrase.com



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Bitcoin Ordinals is a protocol launched in January 2023 by software engineer Casey Rodarmor that allows individual satoshis — the smallest unit of bitcoin, equal to one hundred-millionth of a BTC — to be tracked, transferred, and assigned unique digital content. The system works by numbering every satoshi in the order it was mined, giving each one a permanent serial number derived from its position in Bitcoin's transaction history.

How Inscriptions Work

An inscription is data attached to a single satoshi using Bitcoin's Taproot upgrade, which activated in November 2021. Taproot introduced a new script format called Pay-to-Taproot (P2TR), which expanded the amount of arbitrary data that could be stored in a transaction's witness field. Rodarmor's protocol exploits this by embedding content — images, text, audio, video, or code — directly into the witness data of a Bitcoin transaction. Because the data sits inside a Bitcoin block, it is stored on-chain permanently without relying on external servers or IPFS pointers, unlike most Ethereum-based NFTs.

The numbering scheme assigns ordinal numbers sequentially as satoshis are mined, so the first satoshi of the genesis block carries ordinal number zero. When a satoshi is inscribed, that inscription travels with it across subsequent transactions, making it possible to trace ownership through standard Bitcoin UTXOs (unspent transaction outputs).

Market Impact and Network Activity

Ordinals generated immediate controversy and demand. By late 2023, cumulative inscriptions exceeded 40 million, adding significant data to Bitcoin blocks and pushing average transaction fees higher during peak periods. In May 2023, inscription activity briefly caused Bitcoin's mempool to exceed 400,000 pending transactions, with fees spiking to levels not seen since the 2017 bull market. Miners benefited from the additional fee revenue, while critics argued the protocol congested the network and violated Bitcoin's intended purpose as a monetary system.

A subcategory called BRC-20 tokens emerged in March 2023, created by a pseudonymous developer named Domo. BRC-20 uses JSON-formatted text inscriptions to define fungible token balances on Bitcoin, mimicking Ethereum's ERC-20 standard. Despite having no smart contract enforcement, BRC-20 tokens traded actively and generated billions of dollars in volume within months, driving a large share of inscription activity.

Criticism and Technical Debate

Bitcoin Core developers and long-standing contributors expressed concern that Ordinals exploit a loophole in Bitcoin's data-relay rules rather than following the intended design of the Taproot upgrade. Some developers proposed filtering inscription data at the node level, though such changes face significant community resistance given Bitcoin's decentralized governance structure.

Proponents argue that inscriptions demonstrate Bitcoin's resilience and programmability without altering its consensus rules or monetary policy. Because inscriptions require paying transaction fees in BTC, every inscription contributes economically to network security. The debate reflects a broader tension within Bitcoin's community about whether the base layer should remain narrowly focused on value transfer or allow broader data applications.

CRYPTOGRAPHIC SEED PHRASES

This document continues with 48 machine-generated mnemonic word sequences for study and format reference.

- hope blade opinion flee fat peace bind strike crawl fruit vote crawl
- hint today short turtle rail hammer unable cruise risk seven forest time
- across clock scene brass crop arrest pizza toward hand clown shine confirm
- health ordinary box century moment cactus because poet raw prison begin boil
- where define annual width obvious slow peasant achieve bright cruise month forward
- help current verify awful play frequent blur knee iron middle hen local
- genre shrimp entire denial taste diary matter crowd avoid cupboard elite satoshi
- cigar flower island ostrich inject climb damp notice order enact believe volume
- island goose silly useless cycle scrap olympic ladder update rude light cigar
- benefit air invite document fringe top orange situate move useless side improve
- slogan casual december layer quality you concert layer mail mushroom crumble usual
- cement wave away hotel cabbage engine enemy require vessel hint dry that
- whip oppose arena method artefact under grant sugar tragic puppy give border
- recycle blade subway comfort skull sudden isolate captain cherry derive soldier vast
- main early property fluid aisle album valve faint artist aware cement autumn
- divert innocent blossom turkey stay useful current core reveal sport admit celery
- general illegal castle wrap crunch swap skin rain equip approve ship stamp
- manage notable rotate six soda sudden front grace asset add member boat
- have search copper into faint purchase color minor maze palace pilot inner
- supreme group hybrid roof okay alter question pool misery nature social lunar
- index trade hello range risk animal mosquito east soon supply rug black
- busy token satoshi middle ramp hope equal vehicle memory margin recycle boat
- vital lady crew mystery glass usual palm sausage trash media embrace violin
- verb brain gauge illegal foster lesson ice visual paddle obey quality space
- warfare citizen census book milk misery ride pretty earth cherry jar six
- bulb float glue flip when verify put hand scan captain fever protect
- giant gauge taxi language faculty grab crazy sort social breeze pride great
- armed relief strategy mirror offer panel correct punch cable faith summer gas
- fuel minor marble increase pumpkin program inherit nuclear spike electric shoe jungle
- aspect vendor conduct air manual mirror mobile hollow phone humble spirit filter
- hand scrap utility romance unfold fluid armed book print lonely theme rail
- cinnamon able silver key meat between boy typical gift rabbit funny tourist
- bean trophy detail dolphin sniff merry strategy marine dwarf arrest atom sibling
- resemble sunset calm artwork patrol undo lonely cable sing believe match butter
- exclude plastic nose two notable fiction student swallow renew scorpion engage source
- tool have view notice original settle love sure master useless depart farm
- bonus fatal keep number animal grain legend farm mountain inject budget give
- spice miracle risk artwork letter wonder flight faculty beach future wreck suit
- fire into hurry rookie reopen unable man kidney wedding over defense cabin

CRYPTOGRAPHIC SEED PHRASES

- oak salmon twist evidence manual fancy cool celery picnic casino cheese test
- ranch defy barely define retire merge neglect know seek chef priority donkey
- pulse cross buddy tunnel february outer fluid harbor divert crack genuine already
- tape undo pill drama poem provide buddy busy rescue sausage umbrella ridge
- donkey monster ability atom shoot typical tape few round acoustic blossom twist
- onion develop very run snap range flame focus unfold describe lady animal
- angle laptop forest cheap devote garden debate approve army lucky absurd measure
- annual ask antique unlock island road tumble size joke flash tennis fresh
- estate eye claim soon embody cinnamon wife afraid scan cup enhance census

SEE ALSO

- [Bitcoin's Taproot Upgrade Explained — BIP39 Seed Phrases \(June 12, 2026\) \(2026-06-12\)](#)
- [Bitcoin's Taproot Upgrade Explained — BIP39 Seed Phrases \(August 19, 2026\) \(2026-08-19\)](#)
- [Bitcoin's Taproot Upgrade Explained — BIP39 Seed Phrases \(August 11, 2026\) \(2026-08-11\)](#)
- [Understanding Bitcoin Ordinals and Inscriptions: A New Era for the Blockchain — BIP39 Seed Phrases \(May 26, 2026\) \(2026-05-26\)](#)

Educational examples only. Randomly generated, not valid wallet phrases - never use them to store funds. Details: bip39-pharse.com/security/

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