

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MONTANA,  
BILLINGS DIVISION

Central Drilling, Inc. v. Hi Plains Building Division, LLC; Nextera  
Energy Operating Services, LLC; and Clearwater Wind Land  
Holdings, LLC

Central Drilling · No. CV 25-101-BLG-SPW · Decided February 13, 2026

SUMMARY

The United States District Court for the District of Montana rejects a magistrate judge’s recommendation to dismiss Clearwater Wind Land Holdings, LLC, without prejudice for failure to prosecute. The court finds dismissal unwarranted because plaintiff lacked electronic notice of the relevant filings and acted promptly after discovering them.

CASE DETAILS

|                       |                                                                                                                                                                                                                                            |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the District of Montana, Billings Division                                                                                                                                                                |
| WRITING FOR THE COURT | Susan P. Watters                                                                                                                                                                                                                           |
| JURISDICTION          | United States District Court for the District of Montana, Billings Division                                                                                                                                                                |
| DECIDED               | February 13, 2026                                                                                                                                                                                                                          |
| DOCKET                | CV 25-101-BLG-SPW                                                                                                                                                                                                                          |
| DISPOSITION           | other                                                                                                                                                                                                                                      |
| PROCEDURAL POSTURE    | Plaintiff objected under Federal Rule of Civil Procedure 72 and 28 U.S.C. § 636(b)(1) to the magistrate judge's recommendation that Defendant Clearwater Wind Land Holdings, LLC, be dismissed without prejudice for failure to prosecute. |
| STANDARD OF REVIEW    | De novo review of portions of a magistrate judge's findings and recommendations to which a party specifically objects under Federal Rule of Civil Procedure 72 and 28 U.S.C. § 636(b)(1)(C).                                               |
| PRECEDENTIAL VALUE    | Unknown                                                                                                                                                                                                                                    |

TOPICS

- sanctions
- civil procedure
- default

## PRACTICE AREAS

civil procedure

commercial litigation

## QUESTIONS PRESENTED

1. Whether Clearwater should be dismissed without prejudice for failure to prosecute or failure to comply with a court order.
2. Whether dismissal was warranted where Plaintiff did not respond to the order to show cause because counsel had not received electronic notice and acted promptly after discovering the filings.

## HOLDINGS

1. Dismissal of Clearwater was not warranted because the circumstances did not constitute the extreme circumstances required for that severe sanction, particularly in light of Plaintiff's lack of notice and prompt action after discovering the filings.

## KEY QUOTATIONS

*"Although a court has inherent authority to dismiss an action for failure to prosecute or failure to comply with a court order, dismissal is a severe sanction appropriate only in extreme circumstances."*

*"In light of Plaintiff's explanation regarding the lack of notice and its prompt action upon discovering the filings—including moving for entry of default (Doc. 15)—the Court concludes that dismissal is not warranted."*

## FACTUAL BACKGROUND

Central Drilling served Clearwater Wind Land Holdings, LLC, but Clearwater did not appear or file an answer by the deadline. The magistrate judge issued an order to show cause after Plaintiff failed to explain Clearwater's nonappearance, then recommended dismissal without prejudice. Plaintiff's counsel stated that he had not received electronic notice of either filing, discovered them independently, promptly contacted the Clerk's Office, and took action after notifications were restored.

## PROCEDURAL HISTORY

Central Drilling filed the action in Montana state court, and Hi Plains removed it to the United States District Court for the District of Montana. Clearwater was served but failed to appear or answer. After Plaintiff failed to respond to an order to show cause, Magistrate Judge Timothy J. Cavan recommended dismissal of Clearwater without prejudice. Plaintiff timely objected, explaining that counsel had not received electronic notice of the order to show cause or the recommendation; the district court conducted de novo review and rejected the recommendation.

## DISPOSITION

other

## CASES CITED

- Henderson v. Duncan, 779 F.2d 1421, 1423 (9th Cir. 1986)
- Ferdik v. Bonzelet, 963 F.2d 1258, 1260 (9th Cir. 1992)

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