
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 18, 2010

PURE CYCLE CORPORATION

(Exact name of registrant as specified in its charter)

Colorado

(State or other Jurisdiction of
Incorporation)

0-8814

(Commission File Number)

84-0705083

(IRS Employer Identification No.)

500 E. 8th Ave, Suite 201, Denver, CO

(Address of Principal Executive Offices)

80203

(Zip Code)

Registrant's telephone number, including area code: **(303) 292-3456**

N/A

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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This Current Report on Form 8-K is filed by Pure Cycle Corporation (the “Registrant”), a Colorado corporation, in connection with the matters described herein.

ITEM 8.01 OTHER EVENTS

As reported on a Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on August 4, 2010, the Registrant entered into a Loan Sale and Assignment Agreement (the “Agreement”) with Bank of America, N.A. (the “Seller”) to acquire the loan instruments secured by approximately 931 acres of land known as Sky Ranch. On October 18, 2010, the Registrant made the final payment of \$6.3 million to Seller to complete the acquisition of the Sky Ranch loan documents, allowing it to commence foreclosure proceedings to acquire the Sky Ranch property.

The Registrant issued a press release discussing the completion of the acquisition which is attached as Exhibit 99.1.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits:

Exhibit 99.1 Text of press release issued by Pure Cycle Corporation on August 20, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 20, 2010

PURE CYCLE CORPORATION

/s/ Mark W. Harding _____

By: Mark W. Harding,
President and Chief Financial Officer

**Pure Cycle finalizes acquisition of Sky Ranch note
from Bank of America**

Denver, Colorado — October 19, 2010 — Pure Cycle Corporation (NASDAQ Capital Market: PCYO) announced it has closed on the acquisition of the promissory note payable by Sky Ranch LLC, and the deed of trust securing the Sky Ranch property. As announced on August 4, 2010, the Company acquired rights from the Bank of America which will allow the Company to take ownership of the Sky Ranch property for cash payments totaling \$7.0 million. The Company paid \$700,000, which was placed in escrow, on July 28, 2010 and made the final payment of \$6.3 million on October 18, 2010. The Company financed this acquisition and raised additional general working capital by selling approximately \$5.5 million of common stock and by issuing a \$5.2 million Convertible Negotiable Note Payable (the “Note”). The stock sale and issuance of the Note are described in detail in Form 8-K filings made with the SEC on September 29, 2010 and October 7, 2010.

The Company has begun the foreclosure process with the bankruptcy court to obtain direct ownership of the Sky Ranch property and the approximately 830 acre feet per year of decreed groundwater underlying the property. The Company anticipates the foreclosure process will take approximately 60 days to complete.

“Completing the financing and acquisition of Sky Ranch furthers the Company’s provision of municipal water and wastewater services along the I-70 Corridor”, stated Mark W. Harding, President and CEO of the Company. Mr. Harding further stated that “Acquiring the Sky Ranch property provides several advantages to our company including extracting the property from a complex out-of-state bankruptcy and positioning the property for developers and home builders to purchase low cost entry level lots. Denver’s housing market continues to recover from its 2009 lows. Area developers and home builders have purchased and developed much of the excess lot inventories particularly those low cost entry level lots. Sky Ranch is a perfect addition to this market as the land is ideally positioned along Interstate 70, with no significant development barriers, low cost land, and direct access to water and sewer utilities from the Company. We look forward to working with national home builders and developers on the Sky Ranch property to provide low cost lots for entry level home buyers and to make these lots available immediately.”

About Sky Ranch

The 931-acre property is located in Arapahoe County, Colorado adjacent to I-70, approximately 16 miles east of Downtown Denver, 4 miles north of the Lowry Range, and 4 miles south of Denver International Airport. Sky Ranch has been zoned for residential, commercial and retail uses and may include up to 4,850 single family equivalent units. Current development plans anticipate entry level housing (houses costing less than \$250,000). At full development the water and wastewater utilities at Sky Ranch are anticipated to generate in excess of \$132 million in tap fee revenue and \$6 million annually in service fee revenue (based on current fees and charges). We do not anticipate developing the property ourselves. Rather we plan to partner with national home builders/developers to provide them with competitively priced lots that are ready for development together with affordable, sustainable, environmentally sound water and wastewater services. With a land acquisition price of approximately \$1,400 per entitled lot, we believe this property is well positioned to offer affordable land and utilities to home builders/developers looking to construct entry level houses.

Company Information

Pure Cycle owns water assets in multiple river basins in the State of Colorado as well as in certain aquifers in the Denver metropolitan area. Pure Cycle provides water and wastewater services to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems.

Additional information including our recent press releases and Annual Reports are available at www.purecycwater.com, or you may contact our President, Mark W. Harding, at 303-292-3456.