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BlackRock Enhanced Government Fund, Inc.
Form N-Q
November 28, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT
INVESTMENT COMPANY

Investment Company Act File number 811-21793

Name of Fund: BlackRock Enhanced Government Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
Officer, BlackRock Enhanced Government Fund, Inc., 800 Scudders Mill
Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011,
Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 12/31/2006

Date of reporting period: 07/01/06 - 09/30/06

Item 1 - Schedule of Investments

BlackRock Enhanced Government Fund, Inc.

Schedule of Investments as of September 30, 2006

Issue	Face Amount	Interest Rate
Government & Agency Obligations - 25.6%		
Fannie Mae	\$ 5,000,000	2.375 %
	3,500,000	5.25
	3,050,000	6.375
	2,000,000	6.625
	1,375,000	7.25
	3,000,000	6.00
Federal Farm Credit Bank	3,500,000	4.55
Federal Home Loan Bank System	1,000,000	4.125
Freddie Mac	1,500,000	5.875
	1,000,000	6.25
U.S. Treasury Bonds	789,000	8.125
	1,220,000	8.50
	2,500,000	6.25

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	1,500,000	4.50	
U.S. Treasury Notes	8,000,000	6.50	
	11,500,000	3.625	
	1,990,000	3.00	
	4,800,000	8.75	
Total Government & Agency Obligations (Cost - \$60,703,970) - 25.6%			
Government Agency Mortgage-Backed Securities** - 58.7%			
Fannie Mae Guaranteed Pass-Through Certificates	9,201,021	4.50	4
	1,955,458	4.66	
	6,456,473	4.681	
	9,222,840	5.32	
	21,084,468	5.50	11
	2,848,751	5.707	
	2,371,342	6.00	
	5,626,025	6.60	
Fannie Mae Trust Series 2006-37 Class DB	3,000,000	6.00	
Fannie Mae Trust Series 2006-58 Class DA	2,894,459	5.50	
Freddie Mac Mortgage Participation Certificates	1,116,690	4.50	
	4,723,904	5.00	
	15,662,961	5.00	
	4,729,915	5.011	
	689,535	5.50	
	2,633,150	6.00	
	5,344,106	6.50	9
Freddie Mac Multiclass Certificates Series 2958 Class MD	5,000,000	5.50	
Freddie Mac Multiclass Certificates Series 3136 Class PD	1,674,840	6.00	
Freddie Mac Multiclass Certificates Series 3173 Class PE	3,000,000	6.00	
Ginnie Mae MBS Certificates	3,137,762	5.00	
	3,319,783	5.50	
Ginnie Mae Trust Series 2005-87 Class C	10,000,000	5.328	
Ginnie Mae Trust Series 2006-3 Class C	10,000,000	5.235	
Ginnie Mae Trust Series 2006-5 Class A	3,932,883	4.241	
Government Agency Mortgage-Backed Securities**			
Ginnie Mae Trust Series 2006-30 Class IO	8,982,230	0.80	
Total Government Agency Mortgage-Backed Securities (Cost - \$139,068,485) - 58.7%			
Non-Government Agency Mortgage-Backed Securities** - 14.7%			
Banc of America Alternative Loan Trust Series 2005-10 Class 1CB3	1,245,000	5.50	
CS First Boston Mortgage Securities Corp. Series 2005-11 Class 6A5	2,083,595	6.00	
CitiMortgage Alternative Loan Trust Series 2006-A2 Class A2	2,478,600	6.00	
Credit Suisse Mortgage Capital Certificates Series 2006-C3 Class A3	2,850,000	5.828	
Freddie Mac Multiclass Certificates Series 3081 Class CP	1,600,000	5.50	

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Greenwich Capital Commercial Funding Corp. Series 2006-GG7	1,500,000	5.912
JPMorgan Chase Commercial Mortgage Securities Corp. Series 2006-CB14 Class A2	1,400,000	5.437
JPMorgan Chase Commercial Mortgage Securities Corp. Series 2006-CB15 Class A4	2,500,000	5.814
JPMorgan Chase Commercial Mortgage Securities Corp. Series 2006-LDP7 Class A4	2,000,000	5.876
JPMorgan Mortgage Trust Series 2005-A2 Class 4A1	4,277,408	5.209
LB-UBS Commercial Mortgage Trust Series 2004-C6 Class A3	5,000,000	4.547
Master Asset Securitization Trust Series 2003-9 Class 2A8	1,550,000	5.50
Residential Funding Mortgage Security I Series 2006-S1 Class 1A5	1,677,000	5.25
Residential Funding Mortgage Security I Series 2006-S3 Class A2	1,952,000	5.50
Wells Fargo Mortgage Backed Securities Trust Series 2005-13 Class A1	2,747,109	5.00

Total Non-Government Agency Mortgage-Backed Securities (Cost - \$34,197,895) - 14.7%

Beneficial Interest

Short-Term Securities

\$ 2,026,019	BlackRock Liquidity Series, LLC Cash Sweep Series I, 5.18% (b) (c)
11,206,250	BlackRock Liquidity Series, LLC Money Market Series, 5.33% (b) (c)

Total Short-Term Securities (Cost - \$13,232,269) - 5.6%

Total Investments (Cost - \$247,202,619) - 104.6%

Number of Contracts Options Written

Call Options Written - (0.4%)

2,300	FNMA, expiring October 2006 at USD 95.656
1,400	FNMA, expiring October 2006 at USD 97.859, Broker Lehman Brother
2,800	FNMA, expiring October 2006 at USD 98.015, Broker Royal Bank of
130,000	FNMA, expiring October 2006 at USD 99.593, Broker Lehman Brother
1,850	FNMA, expiring October 2006 at USD 100.02, Broker Royal Bank of
6+	Pay a fixed rate of 5.01% and receive a floating rate based on 3 expiring November 2006, Broker UBS Warburg (f)
7+	Pay a fixed rate of 5.025% and receive a floating rate based on expiring November 2006, Broker JPMorgan Chase (f)
11+	Pay a fixed rate of 5.05% and receive a floating rate based on 3 expiring November 2006, Broker UBS Warburg (f)
3+	Pay a fixed rate of 5.13% and receive a floating rate based on 3 expiring November 2006, Broker UBS Warburg (f)
2+	Pay a fixed rate of 5.25% and receive a floating rate based on 3 expiring November 2006, Broker JPMorgan Chase (f)
300,000	U.S. Treasury Notes, expiring October 2006 at USD 99.632, Broker Special Finance
180,000	U.S. Treasury Notes, expiring October 2006 at USD 100.15, Broker Special Finance
70,000	U.S. Treasury Notes, expiring October 2006 at USD 100.41, Broker Special Finance
150,000	U.S. Treasury Notes, expiring October 2006 at USD 101, Broker Le Special Finance

Total Options Written (Premiums Received - \$622,398) - (0.4%)

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Total Investments, Net of Options Written (Cost - \$246,580,221*) - 104.2%
 Liabilities in Excess of Other Assets - (4.2%)

Net Assets - 100.0%

* The cost and unrealized appreciation (depreciation) of investments, net of options written, as of September 30, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$	246,580,221
		=====
Gross unrealized appreciation	\$	934,496
Gross unrealized depreciation		(1,388,283)

Net unrealized depreciation	\$	(453,787)
		=====

** Mortgage-Backed Securities are subject to principal paydowns as a result of prepayments or refinancing of the underlying mortgage instructions. As a result the average life may be substantially less than the original maturity.

+ One contract represents a notional amount of \$1,000,000.

(a) Floating rate security.

(b) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Interest Income
BlackRock Liquidity Series, LLC Cash Sweep Series I	\$ 105,769	\$ 189,689
BlackRock Liquidity Series, LLC Money Market Series	\$ (25,177,500)	\$ 10,607

(c) Represents the current yield as of September 30, 2006.

(d) Security, or a portion of security, is on loan.

(e) Represents the interest-only portion of a mortgage-backed security.

(f) This European style swaption, which can be exercised only on the expiration date, represents a standby commitment whereby the writer of the option is obligated to enter into a predetermined interest rate swap contract upon exercise of swaption.

(g) Security was purchased with the cash proceeds from securities loans.

Item 2 - Controls and Procedures

2(a) - The registrant's certifying officers have reasonably designed such

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disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock Enhanced Government Fund, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
BlackRock Enhanced Government Fund, Inc.

Date: November 17, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
Chief Executive Officer
BlackRock Enhanced Government Fund, Inc.

Date: November 17, 2006

By: /s/ Donald C. Burke

Donald C. Burke
Chief Financial Officer
BlackRock Enhanced Government Fund, Inc.

Date: November 17, 2006

