

SECURITIES AND EXCHANGE COMMISSION
 Cityplace Washington, State D.C. 20549

 SCHEDULE 13G
 (Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
 TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED
 PURSUANT TO RULE 13d-2(b)
 (Amendment No.)1

Targacept Inc.

 (Name of Issuer)

Common Stock, \$.001 par value

 (Title of Class of Securities)

87611R 30 6

 (CUSIP Number)

April 11, 2006

 Date of Event Which Requires Filing of this Statement

Check the appropriate box to designate the rule pursuant to which this Schedule is Filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

 (1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

 1) Name of Reporting Person EuclidSR Partners, L.P.
 I.R.S. Identification
 No. of Above Person
 (Entities Only)

 2) Check the Appropriate Box (a)
 if a Member of a Group (b)

 3) SEC Use Only

 4) Citizenship or Place of Organization Delaware

 Number of Shares Beneficially Owned by Each Reporting Person With
 5) Sole Voting Power 1,510,080 shares of Common Stock

 6) Shared Voting Power -0-

 7) Sole Dispositive Power 1,510,080 shares of Common Stock

8) Shared Dispositive -0-
Power

9) Aggregate Amount Beneficially 1,510,080 shares
Owned by Each Reporting of Common Stock
person

10) Check if the Aggregate excludes 6,136 shares
Amount in Row (9) issuable upon
Excludes Certain Shares exercise of stock options

11) Percent of Class 7.9%
Represented by
Amount in Row (9)

12) Type of Reporting PN
Person

1) Name of Reporting Person
I.R.S. Identification
No. of Above Person
(Entities Only)

EuclidSR Biotechnology
Partners, L.P.

2) Check the Appropriate Box
if a Member of a Group

(a) [X]
(b) []

3) SEC Use Only

4) Citizenship or Place
of Organization

Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	5) Sole Voting Power	371,748 shares of Common Stock
	6) Shared Voting Power	-0-
	7) Sole Dispositive Power	371,748 shares of Common Stock
	8) Shared Dispositive Power	-0-

9) Aggregate Amount Beneficially
Owned by Each Reporting
person

371,748 shares
of Common Stock

10) Check if the Aggregate
Amount in Row (9)
Excludes Certain Shares

excludes 197 shares
issuable upon
exercise of stock options

11) Percent of Class
Represented by
Amount in Row (9)

1.9%

12) Type of Reporting
Person

PN

Schedule 13G

- Item 1(a) - Name of Issuer: Targacept Inc.
- Item 1(b) - Address of Issuer's Principal Executive Offices:
200 East First Street, Suite 300
Winston-Salem, NC 27101
- Item 2(a) - Name of Person Filing:
This statement is being filed by EuclidSR Partners, L.P., a Delaware limited partnership ("ESR Partners"), and EuclidSR Biotechnology Partners, L.P., a Delaware limited partnership ("ESR Biotech") (together, the "Reporting Persons").
- Item 2(b) - Address of Principal Business Office:
45 Rockefeller Plaza, Suite 3240
New York, NY 10111
- Item 2(c) - Place of Organization:
ESR Partners: Delaware
ESR Biotech: Delaware
- Item 2(d) - Title of Class of Securities:
Common Stock, \$.001 par value
- Item 2(e) - CUSIP Number: 87611R 30 6
- Item 3 - Statements Filed Pursuant to Rules 13d-1(b) or 13d-2(b):
Not applicable.

Item 4 - Ownership.

(a) Amount Beneficially Owned:

ESR Partners: 1,510,080 shares of Common Stock
ESR Biotech: 371,748 shares of Common Stock

(b) Percent of Class:

ESR Partners: 7.9%
ESR Biotech: 1.9%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

ESR Partners: 1,510,080 shares of Common Stock
ESR Biotech: 371,748 shares of Common Stock

(ii) shared power to vote or to direct the vote: -0-

(iii) sole power to dispose or to direct the disposition of:

ESR Partners: 1,510,080 shares of Common Stock
ESR Biotech: 371,748 shares of Common Stock

(iv) shared power to dispose or to direct the disposition of: -0-

In addition, ESR Partners holds stock options to purchase an aggregate 6,136 shares of Common Stock and ESR Biotech holds a stock option to purchase 197 shares of Common Stock.

Item 5 - Ownership of Five Percent or Less of a Class:

Not applicable.

Item 6 - Ownership of More than Five Percent on Behalf of Another Person:

Not applicable.

Item 7 - Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Company:

Not applicable.

Item 8 - Identification and Classification of Members of the Group:

See Exhibit 2.

Item 9 - Notice of Dissolution of Group:

Not applicable.

Item 10 - Certification:

Not applicable.

Signature:

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

EUCLIDSR PARTNERS, L.P.
By: EuclidSR Associates, L.P., General Partner

By /s/ Elaine V. Jones

General Partner

EUCLIDSR BIOTECHNOLOGY PARTNERS, L.P.
By: EuclidSR Biotechnology Associates, L.P., General Partner

By /s/ Elaine V. Jones

General Partner

Date: February 23, 2007

EXHIBIT 1

AGREEMENT OF
EUCLIDSR PARTNERS, L.P
AND
EUCLIDSR BIOTECHNOLOGY PARTNERS, L.P
PURSUANT TO RULE 13d-1(f)

The undersigned hereby agree that the Information Statement on Schedule 13G to which this Agreement is annexed as Exhibit 1 is filed on behalf of each of them in accordance with provisions of 13d-1(f) under the Securities Exchange Act of 1934, as amended.

EUCLIDSR PARTNERS, L.P.
By: EuclidSR Associates, L.P., General
Partner

By /s/ Elaine V. Jones

General Partner

EUCLIDSR BIOTECHNOLOGY PARTNERS, L.P.
By: EuclidSR Biotechnology Associates,
L.P., General Partner

By /s/ Elaine V. Jones

General Partner

Date: February 23, 2007

EXHIBIT 2

Identification and Classification
of Members of the Group

EuclidSR Partners, L.P. and EuclidSR Biotechnology Partners, L.P. are filing this statement on Schedule 13G as a group.

EuclidSR Partners, L.P. is a Delaware limited partnership. Its sole general partner is EuclidSR Associates, L.P., a Delaware limited partnership.

EuclidSR Partners, L.P. is a Delaware limited partnership. Its sole general partner is EuclidSR Associates, L.P., a Delaware limited partnership.